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**HOUSE OF COMMONS  
OFFICIAL REPORT**

**PARLIAMENTARY  
DEBATES**

**(HANSARD)**

**Friday 24 February 2023**

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# House of Commons

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*The House met at half-past Nine o'clock*

## PRAYERS

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

**Aaron Bell** (Newcastle-under-Lyme) (Con): I beg to move, That the House do sit in private.

*Question put forthwith (Standing Order No. 163).*

*Question negatived.*

**Sir Chris Bryant** (Rhondda) (Lab): On a point of order, Madam Deputy Speaker. I hate to bring to the beginning of the day something that comes at the end of the day, but as you know my private Member's Seizure of Russian State Assets and Support for Ukraine Bill could be up for its Second Reading later. As I understand it, the Government, although they have perhaps not made a final decision on this, are toying with objecting to the Bill; if a single person objects, it will not go forward to its Second Reading today.

Everybody knows that the whole House stands completely united behind Ukraine and is fully in support of making sure that Putin fails in his mission to seize it. I gather that the Government's briefing to the press overnight was that they might object because it is not suitable for such a measure to be introduced in a private Member's Bill, even though it has cross-party support, including from lots of Conservative Members and the Conservative Chairs of two prominent Select Committees.

Madam Deputy Speaker, would you clarify that the Bill is perfectly in order—otherwise it would not be on the Order Paper; that in the past many very significant issues have been introduced through private Members' Bills, so there is nothing to preclude this being a matter for such a Bill; that if the Bill were to get Second Reading today, it could be amended many times in Committee, including by Government amendments; and furthermore, that if the Government wanted to, they could of course introduce legislation of their own? My Bill only asks the Government to introduce proposals to seize Russian assets currently frozen in British banks and give them to Ukraine.

As we just heard during prayers, the lamentation over Israel could equally easily be said of Ukraine today. We want to do everything we possibly can as fast as we possibly can to support the people of Ukraine.

**Madam Deputy Speaker (Dame Rosie Winterton):** I am grateful to the hon. Member for giving notice of his point of order. I can confirm that his Bill is orderly; otherwise, as he said, it would not be listed on the Order Paper. It is, of course, up to all Members, including Government Members, whether to object to the Bill or not. That is not a matter for the Chair.

I will not comment on the content of the Bill, but the House will have heard the hon. Member's points; it is true that it could be amended in Committee. It is not appropriate for me to offer a view about whether a private Member's Bill is an appropriate vehicle for the hon. Member's objectives—that is a matter for the House—but I can confirm that such Bills have been used for a variety of purposes, as he described. Obviously, we will wait to see what happens later.

# Co-operatives, Mutuals and Friendly Societies Bill

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

*Third Reading*

9.38 am

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

The object of my Bill is to help ensure the best business environment for co-operatives and mutuals, and that means three things. First, we need a good policy understanding of the importance of mutual business, and that must stretch across Government to Ministers and officials. We recognise that it is always a challenge to get attention from a busy Department such as the Treasury, but well-informed and motivated Ministers and officials will give us a fighting chance. Co-operatives and mutuals are an important feature in a mixed economy when their different business purposes are recognised and allowed to flourish. Good policy is the foundation stone for that.

Secondly, on legislative reform, the Bill is part of making legislation on co-operatives and mutuals fit for purpose for a modern economy. Co-operative law was first introduced to this House in the 1860s, and formed the basis for co-op law in many countries around the world, but it has sadly not been kept up to date. We want to draw on the best practice in the world, which is why the idea of protecting assets for their intended purpose is so important.

Countries that have adopted such provisions have much more robust co-operative and mutual business sectors. The removal of the incentive to demutualise means that they can continue to grow in line with the interests of the members they serve. There is more to do on legislative reform, as my original Bill identified. We look forward to working with the Government to ensure that legal options are no longer a poor relation but match the standard of the best in the world.

Thirdly, we need regulators to appreciate the role of co-operatives and mutuals. We can have the best policy and legislation, but in practical terms, progress can be thwarted if regulators lag behind. They should no longer see their role as facilitating demutualisation, as they unfortunately did in the LV debacle. Instead, the true champions of consumers should be driving corporate diversity and choice. If there was one lesson to take from the global financial crisis, it was that we do not want all businesses following the same mistaken strategy. In that regard, diversity is strength, and regulation should take seriously its role in ensuring that co-operatives and mutuals are not ignored, or worse, homogenised into a single idea of business driven by shareholder-owned interests.

The Bill is one of a series of such private Members' Bills over the last 20 years. I am proud to have played my part in bringing it to the House in the way that my predecessors did. There have been five Bills to modernise co-operative and mutual law, all of which have received Royal Assent. It is welcome that our efforts and endeavours have had the support of Treasury Ministers and from both sides of the House. This is one area in which there is genuine and lasting cross-party consensus. It is no less

[*Sir Mark Hendrick*]

welcome that we enjoy today the support of His Majesty's Government for this sixth such Bill. It is perhaps less positive that we have had to take this piecemeal private Member's Bill approach to legislation, but I sincerely hope that the promised Law Commission review puts that right, and that a modern framework for business is established once and for all.

My Bill is about giving mutuals the option to maintain mutual capital for the purpose for which it is intended. There is a fundamental distinction between the rights of members of a mutual society and members of an investor-owned company. Members of a company—shareholders

— have the right to a pro-rata share of distributed profits, or dividends, based on their shareholding, and to a pro-rata share of the underlying value of the company. The more capital they own, the greater their share of the profits and of the value of the company.

By contrast, members of a mutual society generally have neither of those rights because a mutual's profits are not generally used as a mechanism for rewarding capital, and members of a mutual do not have any expectation of or entitlement to a share in the increased value of their society. As members of a mutual are not entitled to any share of its increased value, the amount by which the net asset value of the society exceeds the capital provided by members—otherwise known as capital surplus on solvent winding up—has no specific owner. It is effectively a legacy asset held by the society for future generations, enabling the society to provide for and invest in its future. That is a core part of the mutual's identity. It represents the trading surplus accumulated by previous generations of members participating in their society's business, in which they were always content to have no personal share. By implication, it is held for the benefit of future generations. The society was originally set up not to make capital surplus to reward members, but to provide goods and services for those who need them. That was its purpose, and it was the basis upon which previous generations have taken part in its trade.

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

In UK law, there is no generic or principled recognition of the value to wider society of mutuality or the legacy asset of a mutual society. As a result, the ability to access legacy assets actively incentivises demutualisation. Provided that relevant formal procedures are completed, including securing consent from a statutory minimum threshold of members, a demutualisation cannot be stopped. The statutory minimum threshold has been changed from time to time for different types of mutual society to make demutualisation less likely, but these

measures provide only partial protection. There is currently no statutory mechanism for ensuring that surpluses, which the previous generations never intended should be a private reward for anybody, remain committed to the wider public purpose.

At present, it is not possible for an existing society, or those setting up a new society, to proscribe demutualisation. That leaves mutuals vulnerable to those simply aiming to liberate the legacy asset, share it out among those they choose and convert the business into an investor-owned company. That has resulted in much of the UK building society sector being lost, and their businesses then either failing or transferring to non-UK ownership. That has been bad for mutuality, and bad for the economy with the damage it has caused to corporate diversity. Demutualised former building societies were mostly absorbed into the banks that failed in the financial crisis.

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

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

My Bill disincentivises the raiding of legacy assets through legislation. Voluntary legislation will ensure that legacy assets are preserved for the purposes for which they were intended. It will empower mutual members to decide what should happen to assets on a solvent dissolution, and it will match the best legislation in many countries around the world.

My Bill would introduce a voluntary power to enable a mutual to choose a constitutional change so that its legacy assets, or the capital surplus, would be non-distributable. It would detail precisely the destination of any capital surplus on a solvent winding-up and would outline the procedures necessary to include such provisions in a mutual's rules. It would make statutory provision for the relevant rules to be unalterable. It defines the capital surplus as the amount remaining after deducting a mutual's total liabilities from its total assets, including

repayment of members' capital. It would introduce new provisions to maintain the destination of the capital surplus and ensure that where a mutual's rules make the capital surplus non-distributable, any resolution to convert into, amalgamate with or transfer engagements to a company will also include a provision to transfer the capital surplus, as provided by the rules in the event of a solvent winding-up.

That is my Bill, Madam Deputy Speaker. I thank the Minister and his team for their co-operation and help in bringing it forward.

9.51 am

**Rob Butler** (Aylesbury) (Con): I congratulate the hon. Member for Preston (Sir Mark Hendrick) on his Bill's successful Committee stage and on its reaching Third Reading today. Mutuals and co-operatives are not an insignificant sector of our economy: across the UK, the industry comprises more than 7,000 co-operatives, employing some 250,000 people with an annual turnover close to £40 billion. The sector is not standing still; it is growing, with more co-operatives forming despite the very challenging circumstances caused by the covid pandemic.

Perhaps nothing highlights the purpose of the Bill better than mutual insurers and friendly societies, the origins of which stretch back to the late 17th century. In 1703, the Amicable Society, chartered by Queen Anne, was set up to provide support to widows and children in the event of the policyholder's death. Such organisations spread rapidly across the country. As the industrial revolution took hold in our towns and cities, mutual insurance and friendly societies acted as a social safety net for their members in case they were injured in what Blake described as the dark satanic mills. Thankfully, we have moved very far from those working conditions, but that does not mean that we no longer require mutual societies. The development of the sector continued for much of the 19th and 20th centuries. Many of the UK's now well-known insurance companies began as mutual societies; there were then the various amalgamations, mergers and takeovers to which the hon. Gentleman referred.

There are 50 financial mutuals currently operating in the UK. According to the Association of Financial Mutuals, they represent 30 million members and write £20 billion of premiums annually; as I said, the sector is not at all insignificant. Many farmers in my constituency have policies with their local NFU Mutual, and people can remember the days of the man from the Pru—it was frequently a man—coming round to collect membership subs. Mutuals take many different forms. The Hughenden valley community shop in my constituency is a fine example of such an organisation today; it does a tremendous service to people in the area, and was particularly welcome during the pandemic.

In the insurance market, mutualisation is no longer the norm in the UK. Many of the well-known mutual assurance societies of old have been demutualised. The Prudential, Aviva—previously Norwich Union—and Scottish Widows were all mutual insurance societies, but are now fully commercial entities or subsidiaries of larger financial institutions. While I in no way criticise the work of those commercial entities, fully commercial

organisations with shareholders have different priorities from mutual organisations, as the hon. Gentleman pointed out. There is absolutely room for both in our economy.

Mutuals now represent just 7.9% of the insurance market in the UK, according to the International Cooperative and Mutual Insurance Federation. That is far below the market influence that such organisations have on the continent: the market share is 58% in France, 60% in the Netherlands and 46% in Germany. There is scope for mutuals to grow again in the UK, and I welcome any comments from my hon. Friend the Minister about how we can increase competition in the insurance market to ensure that mutuals can compete with their commercial rivals

On the specifics of the Bill, although I appreciate that it does not represent the full proposals that the hon. Gentleman wished to bring before the House, he should be congratulated on and pleased with what he has achieved in securing Government support for this important piece of legislation. As my hon. Friend the Minister said in Committee, we should not let the perfect be the enemy of the good.

The changes proposed by the Bill will allow the Treasury to bring forward regulations to allow members of the society to choose to adopt legal restrictions, with the effect, as has been outlined, that the assets would be limited to specific purposes in line with the objectives of the mutual society. That will bring in a new degree of parity. At present, of course, the restrictions for mutual organisations are voluntary and based on the vote of the membership. As many hon. Members have noted in the Bill's previous stages, that raises the possibility that restrictions could easily be removed in future, which would ultimately make it easier to demutualise.

The Bill will permit those mutuals that wish to remain mutuals a greater degree of certainty in protecting their legacy assets in future. It will also remove some of the financial incentives of demutualisation. Notwithstanding those potential advantages, I am particularly pleased that it is an opt-in system, because it is not for the state to dictate how such societies should operate; that should always be for their members. We should enable the possibility, rather than obliging any organisation to behave in a specific way. I commend the hon. Gentleman for bringing forward the Bill and I hope to see it on the statute book shortly, following its successful passage in the other place.

9.56 am

**Jo Gideon** (Stoke-on-Trent Central) (Con): I, too, commend the hon. Member for Preston (Sir Mark Hendrick) on his strong advocacy for co-operatives and mutuals, and on the progress that he has made with the legislation. I am delighted that the Bill has been supported by hon. Members on both sides of the House at all stages.

Mutuals and co-operative societies are distinctive organisations in that they are owned by and run for the benefit of their members. Whether employees, suppliers or the community and consumers that it serves, those who are actively involved in the business control decisions, rather than outside investors. Mutual ownership therefore helps to ensure that decisions are focused on the long-term sustainability of the business. Profits are not distributed among members but returned to the community, so such organisations provide a legal structure designed for social enterprise.



[Jo Gideon]

Indeed, co-operatives spring from local communities. They are bottom-up, grassroots organisations that are set up to provide goods and services for those who need them. Clearly, mutuals play a hugely important role in our local areas for education, engagement, charity and, fundamentally, the financial services that they offer. They provide a way for communities to come together to solve problems.

I have always been a strong advocate for the social enterprise movement in this country. Social businesses, including those that are community owned, are responsible for job creation in areas of deprivation—jobs that last and provide the crucial spirit of enterprise and innovation that our left-behind areas need. That makes the growth of co-operatives in the UK an integral part of the levelling-up agenda.

In 2021, co-operatives were five times less likely to permanently close than other UK businesses, and they were significantly more likely to tackle other important projects, such as decarbonisation, technology and the current cost of living challenges. Co-operatives have been incredibly resilient in the face of the pandemic, with the sector growing by an impressive £1.1 billion in 2020, despite the economic challenges resulting from national lockdowns.

On Second Reading, it was good to hear hon. Members acknowledging the start of the co-operative movement, so it would be remiss of me not to mention its history in Stoke-on-Trent. One of the earliest co-op traders was a potter called James Colclough, who opened Stoke-on-Trent's first co-operative store, and the Birsle Co-operative Society was founded in north Stoke-on-Trent in 1901. It became one of the most successful mutual commercial enterprises that Stoke-on-Trent has known.

Originally, there were 200 members who each subscribed four shillings and promised to make those four shillings into £1 as soon as convenient. In the first balance sheet issued by the society in 1901, the amount of share capital plus interest was £175. By 1932, the amount of share, loan and bank capital of the Burslem and District Industrial Co-operative Society was £1,209, and it had 50,000 members and 112 shops.

This Bill is important to ensure that co-operatives and mutuals continue in the modern era. The increase in legal certainty that wealth built up over time will not be squandered by future members for short-term personal gain will encourage confidence, reassuring investors. This legislation is needed to help UK mutuals preserve their legacy for the purpose for which they were intended, which is making sure that additional available capital surplus can then be re-invested in economically, environmentally and socially productive enterprises. We should not allow capital to be blown at the whim of speculators and investors. It is important to lock capital in the places where it belongs for the benefit of the people it was invested for.

In the UK, the sector is relatively small compared with some European economies. Less than 1% of businesses in the UK are co-operatives. Germany's co-operative economy is four times larger than the UK's, and France's is six times larger. Clearly there is some work to be done here, but this Bill provides an opportunity to rediscover and promote the co-operative model. I do not know if Members have seen the film "Bank of Dave", but it is the very inspirational story of a gentleman from Burnley

who set up a bank for the benefit of the community. I have been campaigning for this sort of thing in Stoke-on-Trent, because I think that a financial model enabling people to lend to each other, but also for them and community charities to benefit from the profits, is one we should all be looking at.

I just want to thank the hon. Member for Preston for giving us the opportunity to discuss these issues today. There is clearly a significant appetite for reforms of the mutuals sector, and I look forward to hearing about its success following his Bill.

10.2 am

**Greg Smith** (Buckingham) (Con): It is a pleasure to follow my hon. Friend the Member for Stoke-on-Trent Central (Jo Gideon). I join her in congratulating the hon. Member for Preston (Sir Mark Hendrick) on bringing forward this important Bill, piloting it through its stages so far and, indeed, securing the important cross-party support that he has secured for this Bill. Co-operatives play a vibrant part in our economy, as others have said. They bring greater choice to consumers and greater choice to people who need the goods and services that they put together. I hope I maintain the spirit of cross-party support for the Bill when I say that the co-operative movement is part of a vibrant free market economy in the United Kingdom, and we should celebrate that.

As my hon. Friend the Member for Aylesbury (Rob Butler), my constituency neighbour, commented, the more we can drive the ability for co-operatives to compete with their commercial counterparts, the stronger our economy overall can become. I particularly endorse the point he made about the importance of this being an opt-in Bill. It is not the state dictating or this House setting out a "how it must be" clause for co-operatives, friendly societies and so on to operate; it is something about which those organisations must make an active choice for themselves.

To go to the heart of the Bill—this is why I believe it to be an important Bill that, as the hon. Member for Preston said, brings the legislation up to date and moves the sector forward from its legislative origins all those decades, if not centuries, ago—the very hub or core of the co-operative movement is about people doing something because they want to create a better society, a legacy and, indeed, something lasting. When organisations fail or are forced into some form of closure we can see that that legacy can be lost all too easily if there is no protection around the assets. That is why I believe it to be so important, and as my hon. Friend the Member for Aylesbury indicated, this is no small undertaking. The helpful House of Commons Library paper on this details how 7,200 co-operatives were employing 250,000 people across this country. That is no small thing; that is a significant part of our economy, stretching across 14 million members. My hon. Friend mentioned the Hughenden valley community shop in his remarks, and that is a wonderful example from Buckinghamshire. A simple search of the Co-operatives UK website indicates just how far reaching co-operatives, mutuals, and friendly societies are in my constituency.

The Buckinghamshire Community Energy company works across the whole county. It is registered in my hon. Friend's constituency at Stoke Mandeville, but it

enables schools, public buildings, and businesses across the county of Buckinghamshire to cut their carbon emissions. The wonderful Brill Village Community Herd, and the 335 square miles of the Buckinghamshire constituency that I am fortunate enough to represent, is without question the most beautiful part of the United Kingdom. Indeed, Brill common, which the Brill Village Community Herd serves, is among the top most picturesque parts on top of that. The work it does is so important to maintain not just the village of Brill, but the picturesque countryside, nature, and biodiversity of Buckinghamshire.

The Buckingham Rugby Union football club exists on this model—an important community asset. I was lucky enough to speak at its President's Lunch the other week. Buckingham has had a poor season so far and they have not yet won a match. They were playing a team from the constituency of my right hon. Friend the Member for Stratford-on-Avon (Nadhim Zahawi), but unfortunately there were no careless mistakes in the match, which led to Buckingham losing again. Nevertheless, it is an important asset. We have the Cuddington Allotment Society, the Kimble Allotment Society, Long Crendon Community Social Club, the North Marston community shop, Ickford village association shop—so many organisations, including Westbury community shop and café, Wing Allotment 1972 Society, the Royal British Legion, Winslow Rugby Union Football club, and Twyford village stores.

**Matt Western** (Warwick and Leamington) (Lab): I am learning a great deal about the hon. Gentleman's constituency that I was not previously aware of, so I think him for that. I recognise what he is discussing because I, too, have such cases in my constituency. I wanted to ask about the building societies that we still have, and the diversity of our financial services sector. If we had retained more of the mutual building societies in the '70s, for example, would we still have had the same financial crash in 2008?

**Greg Smith:** On the point about high street banks, it is noticeable across the Buckinghamshire constituency that in 335 square miles there is only one high street premises left standing, which is the Nationwide in the town of Princes Risborough. I do not share the hon. Gentleman's projection that we would not have had the 2008 crash had we not seen the demise of so many building societies, as many other factors were at play there. Indeed, a note highlighting one of those factors was left by the former Labour Chief Secretary to the Treasury for the incoming Government in 2010. *[Interruption.]* If he would like another bite, I would be delighted.

**Matt Western:** Perhaps the hon. Gentleman could be more precise about the point I was seeking to make, which was whether we would have been more financially resilient in the financial services sector, and the public's money more secure, had we had a greater diversity and spread of those sorts of institutions in our economy, as perhaps they have in France.

**Greg Smith:** I am grateful to the hon. Gentleman for his clarification. I believe that for a successful economy, there does need to be that diversity and spread of different models and different institutions—fully commercial enterprises, co-operatives, friendly societies and mutuals.

As a committed free marketeer, which I accept the hon. Gentleman perhaps is not, those are the building blocks for a successful economy, and I certainly would not seek to diminish the role of building societies and mutuals in securing that diverse, successful and buoyant economy. We can certainly find some common ground there.

Having highlighted the wealth of friendly societies, mutuals and co-operatives across my constituency and their value to the United Kingdom economy, let me say that this Bill is a welcome bringing up to date of the legislation. I look forward to hearing my hon. Friend the Minister confirm the Government's full support for the Bill as it passes Third Reading and goes to the other place. I hope to see it receive Royal Assent before too much longer.

10.10 am

**Mark Eastwood** (Dewsbury) (Con): I congratulate the hon. Member for Preston (Sir Mark Hendrick) on bringing this Bill before the House, and also congratulate my hon. Friend the Member for Buckingham (Greg Smith) on listing pretty much every business in his constituency during his speech, which is quite the feat.

This is a really important Bill, and I want to cover some of the key points that make it so important, some of which have already been mentioned by other hon. Members and hon. Friends. It proposes a way for co-operatives, friendly societies and mutual insurers to grow and develop their organisations while maintaining their commitment to member ownership and control. That is important, as it will enable co-operatives to compete on a more even playing field with their corporate counterparts and increase their impact across all sectors.

The current legislation that governs the raising of capital by co-operatives is, as we know, somewhat inflexible. The Bill would enable co-operatives to raise more money by issuing equity shares that are repayable at the option of the society, rather than being withdrawable at the option of the members. By introducing repayable shares, the Bill would enable co-operatives to raise amounts in excess of the current £100,000 holding limit for withdrawable shares. It would also provide legal certainty as to whether co-operatives can choose to repay non-withdrawable shares. Those changes have the potential to lead to large, capital-driven co-operative societies raising millions of pounds or more each year in equity, which could then be used to invest in important initiatives, tackling issues such as decarbonisation, technology, and the current cost of living crisis. The Bill would enable co-operatives to secure increased investment while retaining their democratic structures and ensuring they work in the interests of their members, something that I know is of great importance to the hon. Member for Preston.

We need to talk about co-operatives and about the British co-operative movement, starting with its history. In 1844, on the other side of the Pennines, the Rochdale Pioneers founded the modern co-operative movement to provide an affordable alternative to poor-quality and adulterated food and provisions, using any surplus to benefit the community. That was the start of the modern co-operative movement; as my hon. Friends the Members for Aylesbury (Rob Butler) and for Buckingham mentioned, the movement has grown substantially since then, with 7,200 co-operatives employing 250,000 people, 14 million

[Mark Eastwood]

members, and a combined turnover of just under £40 billion. That is how big the modern co-operative movement has grown.

When we talk about the co-operative movement, people mainly associate it with retail. I have many retailers in my constituency, in Dewsbury, Mirfield, Kirkburton and Denby Dale. We have a large Co-op in Mirfield; we have a smaller one around the corner from me in Dewsbury, on Leeds Road, as well as one in Skelmanthorpe and one in Shepley. Those Co-ops are an important community asset for the larger towns and the small villages in my constituency. One thing I do have a quandary about is that in 2015, the Co-operative Group decided that it would carry on financial contributions to the Labour party, so that always puts me in a difficult position when I go into a Co-op retailer. Having said that, the lure of French grain vodka and the pork and chorizo pies far outweighs that concern, so I am happy to go in there, hold my nose and buy those items.

I take issue with my hon. Friend the Member for Aylesbury, who mentioned the man from the Pru. Many years ago, I was the man from the Co-op. Co-op Insurance Services provided an essential route to plan for funeral costs for people who were less wealthy, in a fairly similar fashion to the man from the Pru—but I have to say, I prefer the man from the Co-op, as I was at the time. The Co-op had penny policies. We would go around as financial services reps and collect pennies from people in their houses, which would provide for their funeral costs in the future. That has obviously expanded now, but people were literally giving me a year's worth in advance—I would get 52 pence. If they were particularly well off, they would give me 10 pence a week on a four-weekly basis, which was £52 for the year.

That was really essential, and it shows that the co-op movement was providing funeral services for people and offering affordable burial costs, which, as we know, are really expensive. Co-op Insurance is now a multibillion-pound business that provides pensions, investments and essential services. There are various parts of the Co-op, such as banks, funeral services, which I have already mentioned, and travel services. This demonstrates the importance of the co-operative movement—despite, obviously, its association with the Labour party.

In conclusion, I commend the hon. Member for Preston for introducing this very important Bill, and I wish him the best of luck with it.

10.17 am

**James Murray** (Ealing North) (Lab/Co-op): I begin by warmly congratulating my hon. Friend the Member for Preston (Sir Mark Hendrick) on his important Bill, which receives its Third Reading today. My hon. Friend has worked tirelessly to build cross-party support for the Bill, the success of which has been evident today. I also congratulate him on securing Government backing for this legislation, and for that support I extend my thanks to the Minister.

As we have heard during debates on the Bill, including today, Members across the House see the huge value of co-operatives, mutuals and friendly societies. There are now over 7,000 co-operatives operating in the UK, with

a combined turnover of almost £40 billion, and almost 235,000 people earn their livelihoods directly through co-operatives trading in a range of different sectors.

Co-operatives have proven resilient in the face of hardship. Despite the covid-19 pandemic and the economic challenges resulting from the national lockdowns, the co-operative and mutual sector grew by an impressive £1.1 billion in 2020. The resilience of co-operatives is also evident in the higher levels of productivity that can result from employee ownership. In the United States, for instance, the National Centre for Employee Ownership tracked the performance of more than 57,000 firms and reached the conclusion that employee ownership can greatly improve a business's productivity and its chance of success. However, despite the fantastic contribution that co-operatives and mutual societies make to society and the economy, outdated legislation has prevented the sector from reaching its full potential in the UK.

Given their unique structure, co-operatives, mutuals and friendly societies are often excluded from traditional investment methods. Today, less than 1% of businesses in the UK are co-operatives. By comparison, as another hon. Member mentioned, Germany's co-operative economy is four times the size of that of the UK. In Emilia-Romagna, Italy, co-operative enterprises generate close to 40% of GDP, and the province has the lowest socioeconomic inequality of any region in Europe.

Sadly, as we know, the sector is under threat from demutualisation. There was celebration across the co-operative movement last year when members voted to reject the controversial takeover of the insurer Liverpool Victoria by the private equity firm Bain Capital. I want to take this opportunity to recognise the work of my hon. Friend the Member for Harrow West (Gareth Thomas) and other in this House in protecting the mutual status of that historic firm.

**Matt Western:** My hon. Friend just cited statistics about Germany and Italy, but does he agree that one of the interesting things is the culture of mutuals and co-operatives? Their thinking on financial investment and return is much longer term, and that is surely to the benefit of investors.

**James Murray:** My hon. Friend is absolutely right to point out some of the wider benefits of employee ownership and involvement, including longer-term thinking, greater investment and greater productivity. It is a real showcase for the value of co-operatives, friendlies and mutual societies, which Members from across the House have come together today to recognise.

Demutualisation remains a real and present threat to the sector. The provisions in the Bill are crucial as they will help to ensure that mutual capital is maintained for the purpose for which it is intended. Beyond this Bill, we believe that further support, such as giving co-operatives more freedom to issue perpetual capital to fund investment, would help to secure the future of the sector. We recognise that today is a significant, important step forward, and we are very pleased to give this Bill our full support.

10.21 am

**The Economic Secretary to the Treasury (Andrew Griffith):** It is always a pleasure to follow the hon. Member for Ealing North (James Murray). Today of all



days, our thoughts are with the Ukrainian people. To that end, I also extend my thanks to the financial sector, which, through the provision of basic bank accounts, has ensured that more than 70,000 people and families who have come and made their home here are able to receive income, send money and pay for goods.

I congratulate the hon. Member for Preston (Sir Mark Hendrick) as his Bill reaches this important milestone. Its aims are as laudable as his long-standing advocacy for the sector. I also thank my team of officials, on his and the House's behalf, for their work on taking this important reform forward—Joshua Grey, Logan Cuthbert, Lucy Alawi-Yates, Emma Kavanagh, Alanna Barber and Harriet Hill.

We are all aware—this has frequently arisen in discussions about this Bill—of the UK's special place in the history of the mutual movement. We heard that again this morning from many hon. Members of this House, including my hon. Friend the Member for Aylesbury (Rob Butler). My hon. Friend the Member for Stoke-on-Trent Central (Jo Gideon) raised the Burslem and District Industrial Co-operative Society. My hon. Friend the Member for Buckingham (Greg Smith) reminded us of the importance of the co-operative movement in the free market movement, and mentioned the Buckinghamshire Community Energy co-operative and the Brill village community herd. We cast new eyes on my hon. Friend the Member for Dewsbury (Mark Eastwood) as we look at him as the man from the Co-op, come to collect, not spend his penny.

We have heard of how communities came together over a century ago, pooling their resources to meet their shared needs and face their common challenges. The hon. Member for Preston, of course, appreciates the unique history and impact of mutuals, not least because of the constituency he represents. The north of England is widely recognised as one of the birthplaces of the modern co-operative movement. It was in 1844 that a group of 28 artisans working side by side in the Rochdale cotton mills first came together. Their objective was to consolidate their scant resources so that they could assure access to better quality food and goods that their community had been excluded from.

The Rochdale co-operative movement was based on principles of openness and democratic control—one member, one vote. In that way, the 28 Rochdale pioneers shared in the profits that their custom generated, and triumphed over the poverty that had been blighting skilled workers at the time.

This is part of our shared UK history, and there are even earlier examples of self-help co-operative organisations lifting communities above their common challenges. The Fenwick Weavers' Society was the result of a collective decision by a group of weavers in Fenwick, Ayrshire, to form a society. The group's 1761 foundation charter sits in the National Library of Scotland. Its formation was a response to a period of rapid flux for the textile industry in the mid-18th century, and its members came together to set a fair price for their work and guarantee a sustainable future for their trade.

Today the nation, communities and people face different challenges, having come through a global pandemic while a war in Europe rages on and inflation, although coming down, continues to make everyone poorer. That is why our Prime Minister has set this Government five clear challenges, the first of which is to halve inflation

in order to give respite to businesses, ease the cost of living for households and give people financial security. The second is to grow the economy, and in doing so to create better-paid jobs and spread opportunities across the length and breadth of the country. That is doubtless at the heart of the co-operative movement. Fourth, fifth and sixth are to cut our national debt, to cut NHS waiting lists, and to pass new laws to stop small boats so that ordinary workers in this country get the fair deal that they deserve.

As Members will know, the first seed of the original mutual movement lives on in our modern mutuals sector, which consists of diverse, commonly owned and democratically controlled enterprises that exist to provide vital services to their members—a genuinely diverse part of our wonderful United Kingdom financial services sector. According to one recent analysis, the UK mutual insurance sector served 32.3 million policyholders and collectively employed 26,400 people in 2021. Another form of mutual organisation that continues to thrive and deliver value to society is the co-operative, which, as we have heard today, operates across all industries and in many constituencies including my own, in sectors from farming to retail to housing. Owned and controlled by members close to them—whether they are workers, shoppers, suppliers or co-residents—co-operatives give people a stake in how they are run. Analysis by the trade body Co-operatives UK found that this sector was worth nearly £40 million to the UK economy in 2021.

Because of their ownership model, mutuals are uniquely invested in doing right by their members rather than in gaining short-term profit at all costs. That makes them key partners in many of the Government's policy priorities, such as the financial inclusion agenda that is so important to me. It is no coincidence that financial mutuals lead the way in many of the low-cost product offerings, such as affordable healthcare solutions or investment products at price points that—if not quite a penny a week—encourage the financial participation of a broader swathe of society.

Modern mutual banks, invested in the success of their local economies, are able to leverage locally based decision making to ensure that their services reflect the needs of the communities they serve. They are a real asset in our mission to level up and spread economic activity across the regions. I would like to see more mutual organisations of every type, and I am very open to proposals such as those in the Bill, which the Government are proud to support. I am very open to ways in which we can tailor our regulatory structure to promote the growth and, indeed, the new formation of mutuals across our financial sector. This is a real form of diversity.

Mutuals are a big deal in the here and now. In many cases they rest on the legacy left behind by others—the successive generations of memberships who paid into the pot, as the hon. Member for Preston reminded us. They did so on the presumption that that surplus would be held in common, without personal entitlement, to support their peers in times of need, for the betterment of society and for future generations. That is why I have always been receptive to the view expressed by Members on both sides of the House that these funds should remain in mutual hands for the purposes originally intended.

[Andrew Griffith]

I support actions to secure our mutuals heritage, which is why the Government are pleased to support the hon. Member's Bill. The Bill applies to co-operatives, friendly societies and bodies corporate that carry on the business of mutual insurance, and it aims to equip those mutual entities with a stronger option in law, an asset lock, to restrict the use of surplus funds for their chosen purposes. By permitting a stronger lock in law for those entities that wish to adopt it—and I am sure many will—the Government aim to provide the sector with an additional deterrence against demutualisation.

**Rob Butler:** Will my hon. Friend say a little more about the significance and importance of the opt-in, as opposed to compulsion?

**Andrew Griffith:** My hon. Friend, as well as being a doughty champion for the co-operative movement in general, is right to emphasise the voluntary element. It is right that those membership organisations that wish to use the lock have the architecture within the Bill to do so, but it is not the business of Government to interfere with the strategy, desire or, in some cases, need of those in the mutual sector to consolidate or raise capital through other means by taking all those options off the table with a mandatory asset lock.

That approach is typical of this Government. My hon. Friend will understand, as an experienced man of business, that our principle is to allow people to regulate and conduct their affairs in the way they feel best serves their needs. As he knows, we have heard very clearly that the mutual sector likes this architecture and will benefit from it. In that context, it is right for the Government to support the Bill.

**Jerome Mayhew (Broadland) (Con):** As my hon. Friend says, it is important that the Government are in favour of the mutual movement, yet last year Liverpool Victoria was at risk of being taken over by private equity. Does he think we have the right balance between the free market being at liberty to appoint capital as it thinks best and the Government's objective of supporting the mutual movement and allowing it to grow?

**Andrew Griffith:** My hon. Friend raises a point we have discussed a number of times during the Bill's progress. It is a poster case for the need to provide some sort of protection. Without getting into the details of that case, Liverpool Victoria clearly continues as a mutual to this day, after deciding not to accept those offers. It is probably right that people were able to make those offers, but it is equally right that members were able to determine the outcome for themselves.

As I hope my hon. Friend recognises, the tapestry of the Government's financial regulation role and the needs of a vibrant and competitive market occupies all my waking hours. It is a difficult task to calibrate, but we are greatly assisted by the presence on these Benches of so many colleagues with so much experience to offer. It is always a joy to receive representations on behalf of the myriad parts of the sector, all of which we are trying to help grow and deliver jobs across the economy. As I never fail to remind the House, two thirds of jobs in the financial services sector are outside London and the south-east. The sector touches communities across the country, as we have heard again today.

By permitting a stronger lock in law for those entities that wish to adopt it, the Government are aiming to provide the sector with an additional deterrent against demutualisation. It will empower mutuals to continue the legacy left by previous generations of members to deliver in service of their members and wider society. However, the Government are not seeking just to play defence on the mutual model; we want to advance the interests of the sector and to grow diversity so that we have a rich financial services sector that has all sorts of forms of ownership within it.

As the House will be aware, we are taking action to support credit unions, which are another type of member-owned, democratically controlled financial institution. This Bill does not apply to credit unions, but through the Financial Services and Markets Bill we are seeking to promote that sector. As the latest Prudential Regulation Authority data shows, there are 249 credit unions in Great Britain, representing more than 1.4 million adult and child members. There are exactly 650 constituencies; would it not be wonderful if every one of them had a thriving credit union? That is a vision for us to hold in mind.

As the Financial Services and Markets Bill makes its way through the other House, we are making a number of important amendments to the Credit Unions Act 1979 to allow credit unions to offer a wider range of products and services. Where they decide it is in their interests to do so, they will be able to offer hire purchase agreements and conditional sale agreements, and to distribute insurance products to their members. Those are all ways in which they can increase their utility to their members, and improve their own scale and financials, which is one of the challenges that they have had. We will also allow them the option to lend to and borrow from other credit unions on a short-term basis, which will sometimes allow them to manage their liquidity better. Again, that will improve the strength and resilience of the sector. That delivers on interests that were raised with the Government by the sector.

The Financial Services and Markets Bill also gives the Government a new power to allow credit unions to offer further products and services in the future through secondary legislation. The message is that the door is ajar. If we hear representations from the sector about more ways in which this Government can be on its side, it should keep pushing, because we will have the ability through secondary legislation to do that.

Additionally, the Government are taking forward a programme of work to ensure that building societies, mutual savings providers and mortgage lenders have a modern and fit-for-purpose legislative framework that promotes opportunities for growth. We have concluded our consultation on the Building Societies Act 1986. As was announced in the Edinburgh reforms package, the Government will in due course bring forward legislation to amend that Act. That will give building societies further flexibility in raising wholesale funds and help to modernise corporate governance requirements, enabling building societies to compete on a more level playing field with retail banks and, again, to promote competition and diversity of provision within the financial services sector.

We are not stopping there. The Government are committed to the health and prosperity of the mutuals sector, and we recognise the valuable contribution mutuals

make. It is a matter of record that I believe we need to go further to cement a modern and supportive business environment in which mutuals can thrive. That is why we continue to have active discussions with the Law Commission on options to proceed with reviews of both the Co-operative and Community Benefit Societies Act 2014 and the Friendly Societies Act 1992, with a view to launching those reviews in the next financial year. Work is ongoing to define the terms and scope of the reviews, which includes close engagement with the sector, and I expect to be in a position to provide an update with more detail very soon, particularly as I know that many Members here today have a keen interest in that work. Clearly, that is something we wish to see move forward and I am sure it will. As such, I can confirm that a core aim of the reviews will be to focus on dysfunctions in the law that result in those organisations being unnecessarily impeded or facing additional time, expenditure or opportunity cost.

In conclusion, the prospects for mutuals are bright. I am delighted that we have been able to make progress on this important Bill today. I commend the cross-party spirit in which the hon. Member for Preston and the Opposition have worked closely with the Government and officials. I am very happy to commend support for this Bill.

10.39 am

**Sir Mark Hendrick:** With the leave of the House, I wish to thank all my friends and colleagues in the House for their support of my Bill. I also thank the variety of Treasury Ministers who, due to a number of reshuffles, have been able to work with me on the Bill from last year to now, including the hon. Member for North East Bedfordshire (Richard Fuller) and the current Economic Secretary to the Treasury. My thanks go out to all the Treasury civil servants who are present in the Chamber today. I wish to thank Peter Hunt and Mark Willetts at Mutuo for their help and advice in drafting the Bill, and also the Co-operative party, which has supported me throughout the whole of my political career, stretching back to the 1980s when I was in local government, the 1990s when I was in the European Parliament, and since 2000 when I entered this House.

Finally, I wish to thank in advance my noble Friend Lord Kennedy of Southwark for agreeing to take my Bill through the other place.

*Question put and agreed to.*

*Bill accordingly read the Third time and passed.*

## Employment Relations (Flexible Working) Bill

*Bill, not amended in the Public Bill Committee, considered.  
Third Reading*

10.41 am

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

I am delighted that we are here today to take a further step towards introducing important changes to the right to request flexible working. The changes will help to set the right conditions for employees and employers to realise the benefits of flexible working.

Throughout the passage of the Bill, I have spoken of the importance of flexible working in helping to remove some of the invisible restrictions that hold people back in the workplace. These can include the need to live in high-cost accommodation in city centres or the need to maintain working arrangements that are hard to combine with caring responsibilities. Offering flexibility to balance work and home life can be key to ensuring participation and progression in the labour market and to opening up employment and promotion opportunities for everyone, regardless of their age, gender, disability or location.

The Bill is for the mothers who have to leave their jobs because those jobs do not support flexible working. The Bill is for those with chronic long-term conditions, the disabled and the most vulnerable in our society, who desperately need the flexibility so that they can continue to work while managing their health conditions and the toll that it can take on their mental health. The Bill is for working families—those with young children—who are working hard and trying to make ends meet in a cost of living crisis.

Throughout the Bill's passage, Members from across the House have been keen to point out the business benefits associated with the take-up of flexible working arrangements. By removing these invisible restrictions, flexible working fosters a more diverse workforce, and evidence shows that this leads to improved financial returns for businesses. Furthermore, workers who have more flexibility are more motivated at work and are more likely to stay with their employer. Of course, there is a strong and unmet demand for more flexible jobs; research conducted by behavioural insight teams shows that offering flexible working can attract up to 30% more applicants for job vacancies.

The successful passage of this Bill would introduce changes to the existing right to request flexible working. That right was first introduced in 2003 for employed parents, and carers of children under the age of six and of disabled children under the age of 18. The legislation has since been amended several times, more recently as part of the Children and Families Act 2014; that was when the right was extended to all employees with 26 weeks of continuous service.

The right allows employees to request changes to their work arrangements and requires employers to properly consider those requests, although—and this is important—they do not have necessarily to agree to them. I recognise that not all organisations will be able to accommodate all forms of flexible working, so this Bill makes some changes to the legislation while retaining the fundamental approach of balancing the needs of



[*Yasmin Qureshi*]

both parties. It focuses on setting the right conditions so that employees and employers can have an open-minded conversation about what flexible working arrangements might be possible in any given context.

The Bill contains four measures. The first is to introduce a duty on employers to consult with their employees before rejecting their flexible working request. Put simply, the measure will prevent employers from defaulting to “no” without first engaging with the employee when responding to individual requests.

**James Daly** (Bury North) (Con): As the hon. Lady has just said, the word “consult” will be in the legislation; as a fellow lawyer, she will recognise that the matter will be litigated at great length before the employment tribunal. Will she go into more detail about what “consult” specifically means and about the requirements on the employer? Will it simply be a conversation or a formal meeting? What does “consult” mean if employers are to act in line with statutory requirements?

**Yasmin Qureshi**: I think that in this context “consultation” means having a proper discussion with employees.

For many employers, what I have been discussing will already be a standard practice but the measure is an important step to ensure that we have consistency across the board. More positively, it will give both parties the opportunity to explore whether alternative workable options may be available before the conversation is closed and a final decision is reached.

The second measure will allow employees to make a second statutory flexible working request within any 12-month period. We all appreciate that a lot can happen in a year. Someone could unexpectedly become a carer or be diagnosed with a long-term health condition, meaning that their working arrangements are no long sustainable. The legislative framework needs to be sufficiently flexible to account for those realities. Amending it in this way will ensure that the right is more responsive to an individual’s needs and helps to avoid negative outcomes. The worst case scenario is when the individual feels that the only option is to drop out of work.

The third measure will reduce from three months to two months the statutory time frame in which employers are required to respond to a request. That is partly about encouraging responsiveness and partly about bringing the legislation up to date. In the event that an individual’s circumstances change unexpectedly, they will be likely to need a quick response so that they can adapt to the changes as efficiently and effectively as possible. More broadly, it is a fact that technology, processes and our understanding of flexible working have all advanced over the last decade and the legislation should be updated to reflect those changes.

The fourth measure will remove the requirement for employees to explain what effect the change applied for would have on the employer and how that effect might be dealt with. It seeks to make sure that the legislation does not unfairly favour those with more experience or who can better articulate themselves in written submissions.

I am pleased that, alongside the Bill, the Government have stayed true to their commitment to me and made the right to request flexible working apply from day one

of employment. I am therefore grateful to Government Ministers for the position that they have taken on the Bill. As a package, these measures will help to secure more flexible working where it meets the needs of individuals and business, and will encourage a more constructive dialogue about different ways of working. The changes will also speed up the administrative process and, ultimately, provide more employees with better access to a diverse range of working arrangements.

I thank the organisations that have been a great support in the last few months, including those that have written to me and met me. To name a few, they are: Working Families, the MS Society, the TUC, Pregnant Then Screwed and Zurich Insurance. I especially thank the team in the Department for Business, Energy and Industrial Strategy—the Department for Business and Trade, as we now call it—who have been tremendous in their support throughout the process. All three Ministers whom I have had the pleasure to deal with about the Bill have also been very supportive.

This is a policy area in which both the Labour party and the Conservative party have made commitments. We agree that more can and should be done to help people and businesses to find work arrangements that allow them to participate and prosper in the labour market. I hope, therefore, that hon. Members on both sides of the House will share my desire to ensure that the Bill succeeds.

10.52 am

**Dean Russell** (Watford) (Con): I rise in support of the Bill and I pay tribute to the hon. Member for Bolton South East (*Yasmin Qureshi*) for her incredible work to ensure that it reached this stage. I also thank the Minister and his team for their work to ensure that it happened.

I am slightly biased, because I was a Minister for a short period and worked on the Bill with the hon. Lady. Its importance goes beyond politics and party lines, so I am pleased that hon. Members have come together to ensure that it goes through to the next stage. I hope that, when it reaches the House of Lords, the Lords realise how important it is to this place and to society. During the pandemic, and in the lead-up to it, society changed and flexible working became much more important to us, because the technology had finally caught up with where society wanted to be.

The challenge is that we live in a fast-paced, 24/7 world where it is easy to be switched on all the time. Sadly, some workplaces expect us to be switched on 24/7, which can be challenging for families, parents and everyone. It also means, however, that we can be switched on to work from home, when it is beneficial to be at home or to be flexible in the hours that we work, and so fulfil our duties as family members, parents, siblings and carers while delivering on the job at hand. Flexible working is often seen through the lens of workers, and that is absolutely right, but it is important that businesses know that it is also beneficial to them. Some employers already have lots of flexible working opportunities, and they do that not only for the right reasons, but because it is good for them, as it is good for employees, for productivity and for morale.

I want to raise several points about the Bill. First, it introduces a requirement for employers to consult with the employee before rejecting their flexible working



request, which facilitates a more open and constructive dialogue between employers and employees. That is important, because to have that conversation in the first place enables action to be taken, but if the request cannot be achieved, the Bill would ensure there is an understanding of why, which ultimately may enable a future request. That is important because it opens employers' eyes to the importance of flexible working to the employee.

Secondly, the Bill allows an employee to make two statutory requests in any 12-month period. That is important, because at the moment it is just one, and the problem is the stress on the individual. It is quite a moment when someone needs to go in and ask for time to be flexible within the workplace. For many, even asking makes them worry and fear that they will then be judged and that ask will be seen as negative. The Bill makes a level playing field by ensuring that both employee and employer are aware of why the flexible working request is important and what the benefits are, and ultimately what difference it will make to the employee.

Thirdly, the Bill reduces the decision period within which an employer is required to administer the statutory request from three months to two months, reducing undue delay for the employee, who is balancing multiple commitments. I have had a family member have to go into hospital, which all of a sudden throws everything out. It throws up the challenges of picking up one's child from school and the worry about one's family member—it picks up so many different issues that can affect someone within the workplace. It can affect what they are thinking about and where they can physically be at certain times. Making that request and knowing that one can get a response within two months rather than three makes a big difference. That could perhaps be even shorter, but I appreciate that for many employers, making a change within two months can be challenging in and of itself.

Fourthly, this important Bill removes the requirement that the employee must explain the statutory request, the effect the change would have on the employer and how that might be dealt with. That is crucial, because previously the employee had to explain to the employer how the request for time and flexible working practice would impact on the business. The challenge for employees is that they might not know the full context. They might not be able to make that argument. Someone working as a cleaner in a business might not know why the request has an impact on the wider business, but that does not mean the request is not still crucial or that it will have an impact on their ability to do their job.

Fifthly, it was pleasing to see in Committee that the amendment tabled on the entitlement to make flexible working applications from day one was accepted by the Government. That took a lot of time and effort to get right, because for some businesses the concern was that if they are doing it on day one, how can the person be judged on doing their job when they are not physically in work, and how can the impact of the request be judged? The amendment would enable any employee on day one to go in and say, "I've got a need to be flexible, but I can still offer something positive to the business and make sure that I am delivering." This is about productivity and flexible working in the best possible way, but it is ultimately about ensuring fairness at the heart of workers' rights and within businesses.

With the Employment (Allocation of Tips) Bill that I have been working on with my hon. Friend the Member for Ynys Môn (Virginia Crosbie), the key thing is workers' rights, but it is also about fairness. In the workplace, we often go to work to make a life. We work to live or we live to work. Many of us in this place often live to work and we all love what we do 24/7, which is why we do what we do; it is about community and civic service. However, many people go to work to get a wage in order to go home and look after their family, and flexible working is a key part of that. When we are looking at this Bill, we have to make sure we are delivering on that part.

**Madam Deputy Speaker (Dame Rosie Winterton):** Order. We shall now observe the national one-minute silence to mark the one-year anniversary of the full-scale Russian invasion of Ukraine.

11 am

*A one-minute silence was observed.*

**Madam Deputy Speaker:** Slava Ukraini.

**Hon. Members:** Slava Ukraini.

**Dean Russell:** Slava Ukraini. I pay tribute to all those in Ukraine at the moment, and to those with family here in the UK and around the world who are thinking of their loved ones and those who were lost.

I will finish my speech shortly. I just want to make a few comments about why this Bill is so important. Flexible working is not something people request for the sake of it. They often ask for a reason, be it a family reason or about being able to do their jobs better. It might be about enabling them to work at different hours from some of their colleagues but still be productive. I pay tribute to the hon. Member for Bolton South East for bringing this Bill through. It will be transformative for this country, because it makes us competitive; it makes businesses competitive; it makes employees feel wanted and makes sure they are supported; it brings fairness into the workplace; and it makes sure that workers' rights are at the heart of what we do, just as we have seen with many of the Bills that have been going through, especially the private Members' Bills. I wholly support this Bill. I hope the House of Lords will make sure it passes quickly and can come into force as soon as possible.

11.2 am

**Gareth Bacon (Orpington) (Con):** It is a pleasure to follow that excellent speech from my hon. Friend the Member for Watford (Dean Russell). I rise today in support of this Bill because I believe it is right that we, in this place, should lead the modernisation of working regulations in our country. That is what the Bill intends to achieve and I welcome it, so I wish to add my congratulations to the hon. Member for Bolton South East (Yasmin Qureshi) on bringing it to the House.

Of course, as a Conservative, I believe that free markets and competition in the supply of services are vital in order to ensure the best market prices for consumers. Indeed, our 2019 manifesto committed to "encourage flexible working and consult on making it the default, unless employers have good reasons not to."

[Gareth Bacon]

Conversely, in a healthy economy, free of monopolies, employers must compete for employees by offering better salaries and better terms of employment than their competitors. Indeed, according to the Chartered Institute of Personnel and Development, as of May 2022 competition for talent in our country remains fierce, with up to 45% of employers reporting having vacancies that are “hard to fill”. The report states that organisations are already exploring the prospect of offering flexible working to attract talent. None the less, there is a strong argument to be made in favour of the provisions in this Bill; its new provisions would further cement the progress we have achieved in the past two decades.

It is worth mentioning that since 2014, thanks to Conservative Governments, all employees have the right to request flexible working arrangements after a sensible period of 26 weeks of continuous service. As my hon. Friend the Member for Watford pointed out, the Bill would add to that by requiring employers to engage with their employees before rejecting a request.

Another important change is the reduction in the time available to an employer to respond to a request. I think that these are reasonable measures. We should not forget that employers need time to consider and prepare to implement changes, especially to ensure that staff are available when needed. Likewise, employees need to be able to plan their life. Reducing from three to two months the time available to an employer to respond will ensure that requests are dealt with in an appropriate timeframe.

We must be clear about what the Bill does not seek to do. It would not compel employers to agree flexible working arrangements with their employees. That is important, because I think that mandating such an agreement would be a step too far; it would put employers in a very difficult position. However, by requiring employers to engage properly with their employees before rejecting an application, the Bill seeks to strike the right balance.

The new regulations could help employers and employees to find mutually beneficial arrangements. The impact assessment considers that “flexible working can result in increased motivation and productivity from employees...reduced absenteeism, reduced vacancy costs”. Those are evidently hypothetical and non-monetised benefits, but the cost to employers arising from the new regulation would be low: approximately £2 million annually. That makes the considerable potential benefits very attractive indeed.

I would like to draw attention to a contribution made on Second Reading. Unfortunately I was unable to attend the debate, but in preparation for my speech today, I read *Hansard* to find out what colleagues had said. Among the numerous contributions from colleagues on both sides of the House, I noted an intervention from my hon. Friend the Member for Warrington South (Andy Carter). He rightly pointed out that the Bill aims to help the vast majority of people who cannot use a laptop to work from home, as we can, and to make it easier to request varying times and adjustments, especially when someone’s job cannot be done from a desk at home.

If the Bill is passed, it will help those to whom access to flexible working arrangements will make the greatest difference. It will even prevent many people from abandoning the workforce altogether. That is why I will support the Bill today.

11.6 am

**Aaron Bell** (Newcastle-under-Lyme) (Con): It is a pleasure to follow my hon. Friend the Member for Orpington (Gareth Bacon), who represents the constituency where I went to school. I congratulate the hon. Member for Bolton South East (Yasmin Qureshi) on introducing the Bill and on successfully getting it through Committee and back to the Floor of the House. May I also congratulate the hon. Member for Preston (Sir Mark Hendrick) on his Co-operatives, Mutuals and Friendly Societies Bill, which we passed a few moments ago? On a day on which we are showing solidarity with Ukraine, it is good that in the best traditions of this House we are working together to pass legislation that will make a difference to our constituents across the country.

I do not intend to go into too much detail on the Employment Relations (Flexible Working) Bill, because I would be repeating what other hon. Members have already said. It would introduce a requirement for employers to consult before rejecting a flexible working request; allow an employee to make a second statutory request within any 12-month period; reduce the decision period; and remove the requirement, which is currently a bit of a burden, for the employee to explain the effect that the change would have on the employer. Those are all sensible, proportionate changes. I am conscious of the need not to burden businesses unnecessarily, and I know that the Minister addressed in Committee the fact that there will be small administrative costs to business as a result, but I think that these proportionate changes reflect the reality of the modern workplace.

A lot of changes have come about as a result of covid. My hon. Friend the Member for Warrington South (Andy Carter), who is not here today—I am sure he is in his constituency—was right to note on Second Reading that a lot of us were able to work well during covid because we have laptops and we do a job in which we can use them. Even in this place, which can sometimes be a pretty inflexible workplace, we showed a great deal of flexibility.

Many of our constituents do not have that flexibility. They have jobs that require them to be in the office or on the job at a particular time, but they also have complicated lives—they may be single parents or have caring responsibilities for their own parents or elderly relatives—and we really need to make life better for them. That is what the Bill will achieve, so again I congratulate the hon. Member for Bolton South East.

**Mr Louie French** (Old Bexley and Sidcup) (Con): Does my hon. Friend agree that amid fierce competition for labour, employers that can offer flexible working are more likely to hang on to existing staff and attract new staff?

**Aaron Bell:** My hon. Friend is absolutely right. I will address why the day one right, which was introduced in Committee, is so important. We all want a dynamic labour market. Although we believe in free markets, they are not about benefit for the employer; they are about benefit for both sides. As my hon. Friend the Member for Orpington said, employees have the right to seek the best price for their labour, professional development and circumstances that work for them. My hon. Friend the Member for Old Bexley and Sidcup

(Mr French) is absolutely right: employers need to recognise that, and those that do will see their businesses grow and thrive.

The lack of flexible working imposes barriers on everyone, but especially on women, the disabled, carers and older people. On that last point, I was contacted last month by a constituent in Chesterton asking what job opportunities with flexible working arrangements were available in the area. That person was 82—an 82-year-old inquiring about what we can do to support people like them back into the workforce in some way. In my view, it would be beneficial to do anything we can to help people after retirement age—or those who have just retired but may not be at retirement age—back into the workforce should they so wish.

I know that my right hon. Friend Chancellor of the Exchequer has been keen to boost economic activity in that area. A number of people have dropped out of the workforce since the covid pandemic. Getting those people back into the workforce—even on a part-time or flexible basis—would be of great benefit to the country, because they have stores of knowledge, experience and wisdom that can be added to the productivity of our businesses and public sector. That is why the Bill is so important.

I thank the Under-Secretary of State for Business, Energy and Industrial Strategy, my hon. Friend for Thirsk and Malton (Kevin Hollinrake), for overseeing the Bill and for engaging with it in Committee in December. If I may, as it is germane to the Bill, I thank him for meeting me and businesses from my constituency in a Committee Room on Monday. We had four exceptional firms from Newcastle-under-Lyme: Incap UK, Langley Alloys, Mondrem and GivEnergy.

It is worth noting that one of the people who came down to meet us is the chairman of one of those companies and is in his 70s. That goes to illustrate the point that I just made about the importance of retaining the wisdom that is out there among people who have run businesses in the past. We do not want that wisdom on the golf course; we would like some of it back in our boardrooms, informing our businesses about how they can grow, particularly our manufacturing businesses. We have a great deal of manufacturing in Newcastle-under-Lyme, as the Minister heard on Monday.

I pay tribute to the Minister for what he is doing. I worked in the private sector—as did he, setting up businesses—before coming to this place, and I think it is important that we have an understanding of business and of how it can benefit from the legislation introduced by the hon. Member for Bolton South East. We also spoke about the planning system, about apprenticeships and, most of all, about the need for productivity.

We have a productivity puzzle in this country. The question of why we have not been able to get as much growth as we might is all wrapped up not just in the way that our public sector works—indeed, Mondrem is working on making our public sector and councils more productive in the planning sector—but in how we can improve private sector productivity. Flexible working is a big part of that, for exactly the reasons that my hon. Friend the Member for Old Bexley and Sidcup set out in his intervention.

In the Children and Families Act 2014 the coalition Government introduced the right for all workers with 26 weeks' service to request flexible working, as we

discussed earlier. The provision was reviewed by this Government in September '21, and 80% of employees were aware of it in their workplaces. I am sure that the true figure is higher and that it is available in more workplaces, because 96% of employers reported that it was, so there is clearly still work to do on awareness, and the Bill—as well as the associated coverage in the press—will help with that. Eighty-three per cent. of flexible-working requests were granted.

The Bill, as amended, provides for the day one right to make a request. That is absolutely correct. To refer again to the speech by my hon. Friend the Member for Orpington, we want a dynamic labour market, and employees must be free to move around to seek better opportunities, professional development or simply a higher salary. Someone who has a flexible working arrangement that works for them should not feel tied to that employer because they feel that they would not be able to get that arrangement on day one with another employer. Obviously, they could discuss at a job interview whether such an arrangement might be possible.

We do not want to put people in a position where they feel tied to an employer that has given them a flexible working arrangement because they might not be able to port that arrangement over, from day one, to a new employer. That could put people off, including women who are bringing up children, people who are looking after their elderly parents, and all the other cases that we have mentioned, such as people with disabilities who need adaptations. That would put people off moving between jobs when doing so is frequently a way to advance in one's career, make a better life for one's family and get oneself a more fulfilling job and life. It is a Conservative principle to support both sides of that negotiation, and we do that not by tying people to an arrangement—essentially a closed-shop arrangement—but by giving them the flexibility to duplicate what they have with their current employer from day one with a new employer.

I am conscious that I have been speaking for a while and that a number of Members wish to speak, so let me conclude by saying that this very positive Bill builds on the work of the coalition Government and private Members' Bills that did not make it this far. I congratulate the hon. Member for Bolton South East, and I thank the Minister for his engagement. I look forward to the Bill passing its Third Reading shortly.

11.14 am

**James Daly (Bury North) (Con):** I refer the House to my entry in the Register of Members' Financial Interests: I am a practising solicitor and a partner in a firm of solicitors, which may be relevant to some of the comments I make.

I remember those halcyon days when the hon. Member for Bolton South East (Yasmin Qureshi) and I were in Bury magistrates court together. I tended to be defending the cases, and she tended to be prosecuting. How time goes by, because that is well over 10 years ago now. One of the things I have always known about her is that everything she does, as she has in the Bill she has put before the House and in the speech she made today, comes from a desire to change things for the better, and I congratulate her on that.



[James Daly]

The reason I support the Bill—and I think any employer must accept the deficiencies within the system we have at the moment—is that, since before coming into this House, I have had an interest in young people on the autistic spectrum. One of the great scandals, apart from generally the support and treatment for young people who have conditions and challenges in their life, is lack of access to the labour market. Certainly, people on the autistic spectrum, who have so much to offer, not only have challenges getting into the labour market, but in many cases will need flexible working to be able to contribute by working.

**Mark Eastwood** (Dewsbury) (Con): My hon. Friend mentioned young people with autism and employment opportunities. Would he agree with me that, before employment, there needs to be a significant improvement in educational standards from primary right through to secondary?

**James Daly:** Absolutely; that is clearly correct. We have to recognise that there are individuals in our country who are being excluded from the labour market, and ways have to be found to ensure that they have an equal opportunity.

**Dean Russell:** On that point, does my hon. Friend applaud the Watford inclusive jobs fair, which took place just this week? Step2Skills, Hertfordshire County Council, Watford and West Herts chamber of commerce and many other organisations came together to make that happen. When I visited, it was amazing that it had had over 500 people apply to join and over 30 business were attending. Does he think that would be a good way forward for every other constituency?

**James Daly:** Obviously, I applaud everything Watford-based, but my hon. Friend makes a very serious point—it was also made by the hon. Member for Bolton South East—which is that in order to make a difference, we must have such events. We must ensure that employers and others involved in the local economy, whether in Watford or elsewhere, take these issues seriously.

**Jerome Mayhew** (Broadland) (Con): I am grateful to my hon. Friend for giving way, because many Members are seeking to intervene on this for some reason. I just want to draw the House's attention to a veterinary practice in Rackheath in my constituency, where the building itself has been constructed to be flexible for people with autism to work there, both as veterinary practitioners and in the support services. Does that not go to show how, with foresight, we can make accessible for people with autism those areas of employment that were previously inaccessible?

**James Daly:** There is not much else I can say about that, other than that it is very good news.

**Aaron Bell:** I must raise this point because I know that my hon. Friend has visited the institution concerned. May I take this opportunity to praise the work of John Caudwell, the founder of Phones 4u—the 4u group is based in Newcastle-under-Lyme—and the Caudwell Children centre in Newcastle-under-Lyme, which

works with children with autism, and which I know my hon. Friend visited the other day? As a private sector entrepreneur, John Caudwell understands all too well the need for employment opportunities for those with autism. That is exactly the point my hon. Friend is making, and I could not let this opportunity pass without raising it.

**James Daly:** I think I am going to have to say “I agree” a lot in respect of these interventions.

**Robin Millar** (Aberconwy) (Con): My hon. Friend only has himself to blame for this: he has opened up a rich vein, because this is important. Only this week, I had the opportunity to sponsor an event in the House with the charity Hft, which works with people with learning difficulties, particularly on such simple issues as addressing obstacles to the workplace. Does my hon. Friend agree that, in the work equation we all make, and that as employers we need to make as well, there are important things such as dignity and meaning attached to work, and reducing barriers and improving the flexibility of working arrangements is key to unlocking that for so many people?

**James Daly:** I agree. As has been said in relation to the importance of flexible working for family and all sorts of other reasons, it is important that a statement is made in law. Flexible working is already in the legislation that has been referred to, but we must make it very clear that this Parliament supports it if it can happen.

One of the things that concerns me about flexible working is the definition. We have already discussed the best form of flexible working, and there are sectors of the economy and parts of the workforce that are currently enjoying it, but I want to make this serious point. During the pandemic, flexible working was a necessity. My local authority decided to allow the vast majority of its staff to continue working from home. That may be a good or a bad thing—who knows?—but that was its decision.

However, there are considerations to be made. I have serious concerns about the impact of taking a huge sector of the workforce out of Bury town centre because the money that those people bring in to the urban centre is very important. I support flexibility in the sense that the hon. Member for Bolton South East set out, but it is not an open invitation to local authorities simply to continue arrangements that were put in place during the pandemic. What we are looking for is not flexibility for flexibility's sake, but a system that allows proper access to the workforce for people who are being excluded and gives flexibility to people who have very good reasons to request it.

We often talk in the generality about a lot of things in this place, but the vast majority of the workforce in this country work in small and medium-sized enterprises of nine employees or fewer, such as in the sector that I worked in all my life. We must not underestimate the requirements on small businesses. Politicians can stand up and say words that make them feel good about themselves, but people still have to pay wages. There has to be a business there to allow flexible employment. Flexible employment cannot be imposed upon a business



that cannot afford it. In vast sectors of the economy, it is simply impossible because people need to be in an office.

In my sector—this is why I mentioned my entry in the Register of Members' Financial Interests—the challenges during the pandemic of being a conveyancing solicitor working from home were incredible. I would argue strongly that people in my sector need to be in the office. There needs to be that team environment, because it increases productivity. I am sure that it would work very well in other sectors of the economy, but we have to be open and honest about this. We cannot just impose principles on business if they cannot afford to pay the bills.

**Jerome Mayhew:** My hon. Friend is absolutely right that there is a balance between the needs of the employer and the perfectly fair needs of the employees. Does he agree that this Bill seeks to get the balance right by imposing a duty of consultation, not an absolute right?

**James Daly:** That is the exact reason why I can support it. The administrative burden that it would place on employers would not concern them. Essentially, the law is changing very little from the current position, so I completely agree with that point.

We always talk about big employers with thousands of employees that can put in place all sorts of work models, but the self-employed and small businesses cannot take advantage of this. Too often, we miss those people out of the conversation when we talk about employment rights and other things that are crucial to those sectors. To be able to pay the bills in this place, we have to ensure that small businesses and the self-employed are not burdened by over-regulation. They must be able to flourish and support employees.

The other thing that is quite clear from my sector and, I suspect, most sectors of the economy is that, although we talk about flexible working, if an employer does not allow a skilled solicitor to have flexible working, they will get a job elsewhere in about five seconds. The question here is not simply about having flexibility for flexibility's sake; it is about skills and the sector. With the market we have at the moment—there are the best part of a million vacancies—employers who do not take advantage of employees with the correct skillset for their area of work will lose them, and they cannot be replaced in the modern employment market. In many ways, the employment market is addressing this problem internally, but skills are absolutely essential to this discussion as well.

11.25 am

**Jo Gideon** (Stoke-on-Trent Central) (Con): I thank my hon. Friend the Member for Bury North (James Daly) for what he has just said, which I will build on. I will restrict my comments to those sectors that are unable to offer the level of flexibility that this Bill might suggest.

Stoke-on-Trent Central has a very large manufacturing base, a very large logistics base and engineering works, and these are sectors in which it is quite difficult to provide the flexibility for homeworking. As is the case across the country, they also have a challenge with recruitment. I welcome the Bill and the work that has

been done by the hon. Member for Bolton South East (Yasmin Qureshi), because flexibility is not just about hybrid working and homeworking; it is also about looking at working patterns. With manufacturing, for instance, shifts may have been established a long time ago, when the circumstances for employees were different. In order to attract new talent to those industries now, sometimes flexibility is hugely important.

There is a slight concern that we may be creating a two-tier system, whereby some people can work flexibly and some cannot. Analysis during the pandemic showed that more than 38% of workers earning £40,000 or more had hybrid working arrangements during a week in 2022, and that people in higher income brackets were more likely than those in other income brackets to work from home exclusively. Financial managers, directors and programmers were able to work from home, whereas those in occupations with lower average earnings, such as gardeners, carpenters and mechanics, were far less able to do so.

There is also something else to be aware of. I am not saying that we should be less flexible, but young people need to have the ability to learn from more experienced workers when they come into the workplace—the water cooler moment, the sharing of ideas and the innovation. If we have too many people working from home for too long, we run the risk that our ability to learn on the job and to innovate might be somewhat reduced.

**Mark Eastwood:** My hon. Friend mentions the ability to learn on the job. I suggest that what we have learned from the pandemic is how to use technology such as Zoom and Teams meetings. Does that not compensate for the lack of face-to-face contact?

**Jo Gideon:** During the pandemic, we all experienced the fantastic tools that are Zoom and Teams. We in this place continued to work, with some of us dressed appropriately all the way down and some of us maybe only from the waist up—I hear rumours. It showed a more human face to many people, because we saw babies, dogs and all sorts of things in the background. It rendered people much more than their profession, which was good.

For apprentices, however, nothing beats the ability to be next to somebody who has done the job for a long time and who can show them and help them. I agree with the point raised by many that the impact on disabled people, with the flexibilities they require in the workplace, will be enormously helpful. Only 52.3% of disabled people are in employment, compared with 82% of the general population, and this legislation surely will be an enormous help.

The other benefit of flexibility is that if people have less time in the workplace, they can spend more time on education. In areas like mine, the importance of upskilling to get the new high-tech jobs that we hope to have in the future cannot be overstated. I fully back the Bill; we need to reflect on some of the issues that may come up incidentally, but that is not a reason not to be more flexible.

11.30 am

**Greg Smith** (Buckingham) (Con): For the second debate running, it is a pleasure to follow my hon. Friend the Member for Stoke-on-Trent Central (Jo Gideon).

[Greg Smith]

Over recent years, not just since the pandemic, flexible working has revolutionised the way people go about their employment, their business and their day-to-day lives. That is visible in my constituency on the daily commute: getting on the train at Haddenham & Thame Parkway on a Monday or a Friday, the car park is noticeably emptier. When people get to Marylebone and try to get on the tube, they can get on the platform at the first time of asking; if they try it from Tuesday to Thursday, they have to wait four or five tube trains before they can get on one to get wherever they are going. On the trains, on the underground and on public transport generally, the sheer volume of people who have gone on to a more varied working week is clearly visible—the days of nine-to-five are well and truly gone, and people are working in much more flexible patterns.

I congratulate the hon. Member for Bolton South East (Yasmin Qureshi) on her Bill. As others have said, it seeks to provide greater balance by giving everybody—no matter who they are, no matter how senior or junior they are, and no matter what their station within their particular business—the ability to better engage to get a working pattern that is right for them and for their business and that ensures we have a buoyant, growing economy. The growth of technology such as Zoom, Teams and all the other video conferencing software has, to a great extent, enabled the ability to work remotely that others have spoken about—to do three days in the office and two days at home, or whatever it might be.

However, I have considerable sympathy with the view expressed by my hon. Friends that we cannot just take that technology to be a replacement for the office. We cannot say that Zoom and Teams mean that everybody should always be able to work from home and never go into the office, because that brings many disadvantages—not least, from my perspective, for people starting out on their careers and trying to get up the ladder in their places of business. I would argue that it has always been the case that graduate entrants, apprentices or people starting off in whatever business or profession they have chosen do not learn the most from textbooks, from university or from whatever degree they have done, or by some process of osmosis; they learn from the people further up the ladder. They learn from going to the next rank up and saying, “I’m struggling with this particular bit of work, I’m struggling to get my head around this.” They learn by asking for the advice of more senior colleagues.

In encouraging flexible working, although I am a huge fan of it, we absolutely must not throw the baby out with the bathwater by going too far. I say that without any technical interest to declare, Madam Deputy Speaker, but I do have three small children at home. Without flexible working—particularly for my wife, because we all accept that being an MP is not particularly flexible and that we absolutely have to be here at certain hours—our childcare arrangements would be an absolute nightmare, and that would certainly be to the detriment of my children.

I will focus most in my comments on the issue of childcare. Enormous steps forward have been made, not least by Governments since 2010, in supporting families with childcare—the 30 free hours that the coalition

Government brought in is one example. However, I know from my own constituency that lots of parents struggle with childcare and with being able to pursue the careers that they want. They find that difficult within the confines of many working practices and set-ups around the country. Everything we can do to ensure that working parents are able to pursue their career of choice and fulfil their professional dreams, while not being punished for having, loving and wanting to bring up children, is to the good.

When the Minister responds to the debate, I urge him to look beyond the Bill, which is a strong starting point, and to ensure that we continue to lock in family-friendly practices, where necessary through regulation—although I am generally sceptical about whether we have to regulate for everything to get the best result—so that we are as family-friendly as possible.

Another point that came up earlier highlights or double-underlines the need for there to be a balance—a balance that, as I said a few moments ago, the Bill does support. I am thinking of the impact that flexible working can have on localities and geographies: towns, villages and cities where business plays a big part. Think of the impact on hospitality during the rail strikes in December, when no one was able to come into London—on the cafés, pubs and bars, and all the businesses set up over the years to support workers who buy their cups of coffee and get their lunches on their way into work and socialise with colleagues or friends after it. We cannot allow too much remote working to undermine our towns and cities and the businesses set up within them.

To conclude, I would like to briefly commend the comments made earlier, not least by my hon. Friend the Member for Bury North (James Daly). We can use flexible working not just to support those with childcare needs or the other things I spoke about earlier, but to ensure that there is a clear path into employment for those who, as my hon. Friend mentioned, suffer with autism or other disabilities—to break down those barriers and ensure that there is a place of work, a career and a professional path for absolutely everybody in our society. That might mean slightly different hours or some days at home and some in the office, but we have to be certain that the Government, the state and this Parliament have made things as accessible and open as possible for everybody with a particular need, in a way that the old system—if I may call it that—did not allow. The Bill goes a very long way towards redressing the balance and opening up much greater flexibility.

**Robin Millar:** It strikes me that the argument my hon. Friend is making is that such flexibility must be inherent in our response to the changes we are seeing in society. There are changes in personal circumstances, such as the points he made about caring for his children—I was glad to hear that he would not throw them out with the bathwater. There are changes in the marketplace and, indeed, in the travel patterns of consumers—I think of my constituency of Aberconwy, which has a tourism-based economy that relies heavily on seasonal working. Is that the thrust of his argument?

**Greg Smith:** As ever, my hon. Friend puts it far more eloquently than I could. He has hit the nail on the head, certainly on the seasonal aspect of some businesses and the changing times that we have all seen, not just through the pandemic but in recent years. If we want to

have the most dynamic, growing, buoyant economy, we have to ensure that the paths into employment and by which people hold down employment—seasonal, permanent or whatever it might be—are allowed for in regulation. It is important that we do not dictate too firmly to businesses how they must go about their practices, but we must ensure that they are fair and open with their employees, so that nobody feels left behind, unable to enter the workplace or held back in some other way.

Indeed, that principle goes beyond business and into the public sector. To back up an argument I made a few moments ago, I am a member of the Transport Committee, which has looked at the Driver and Vehicle Licensing Agency and the Driver and Vehicle Standards Agency. All right hon. and hon. Members probably grappled with delays in the issuance of driving licences and heard nightmare stories from their constituents. One of the causes of those delays, stemming from the pandemic, was the inability of DVLA staff to access the weight of documents that people had posted to Swansea and to process them from home.

**James Daly:** This is a multidimensional issue, but my hon. Friend has put his finger on a real problem that we have to address and to be honest about. Productivity is the blight of the British economy and, as my hon. Friend rightly says, we must do everything we can as a Parliament to ensure that people can access careers. If somebody on flexible working in the private sector is not working to a high standard, that business will go bankrupt. What is my hon. Friend's view on productivity in the state sector and these working requirements?

**Greg Smith:** I am grateful to my hon. Friend for that intervention. As we look at this legislation, it is important that we do not just think about it through the lens of the private sector, but talk about public sector jobs as well.

I can only highlight the point I made a few moments ago about the challenges involved in getting driving licences issued in the time that our constituents wanted them to be issued. The problem in that example was an inability to do the job from home. Not only had the original documents been posted as good old-fashioned snail mail to Swansea; even when staff in the office scanned those documents and transferred them to a digital format, so that other staff could process them and judge whether a driving licence could be issued, the files were so enormous that they were not necessarily able to get through to the person working from home. We have to ensure that productivity is included in this debate. As others have said, certain jobs simply cannot be done from home. The technology is not necessarily there for absolutely everyone to receive hundreds of megabytes and gigabytes of data in order to do their job, so I very much agree with my hon. Friend the Member for Bury North.

To conclude, Madam Deputy Speaker—

**Dean Russell:** Will my hon. Friend give way?

**Greg Smith:** I give way to my hon. Friend from just down the A41.

**Dean Russell:** As someone who sometimes gets stuck on the motorways and gets delayed, it is important to note that the Bill is not just about working from home; it is about time as well. Sometimes, getting into work an

extra half-hour or hour later and then working an extra hour at the end of the day can make an immense difference, especially to people who need to take their kids to school or who have caring needs. It is important to frame the debate so that we are clear on that. Does my hon. Friend agree?

**Greg Smith:** I absolutely agree with my hon. Friend. This is the point that I was attempting to make earlier about childcare—that it is not about working from home or working from the office, but about timings and the ability to drop the kids at school at 9 am and not be penalised for going into the office at, for instance, 9.30 or 10 am. Similarly, many parents need to pick up their children from school at 3, 3.15 or 3.30. Employees, whether in the private or the public sector, need the ability, indeed the right, to negotiate with their employers something that works for them when it comes to picking the kids up from school and making sure they are looked after before and after school. Many schools offer some wonderful after-school clubs, but it is not possible for everyone to attend a breakfast club or an after-school club every day, so those timings are very important.

To actually conclude, Madam Deputy Speaker—*[Laughter]*—I once again congratulate the hon. Member for Bolton South East on taking her Bill to its Third Reading with cross-party support, and I look forward to its gaining Royal Assent very soon.

11.45 am

**Rob Butler (Aylesbury) (Con):** I congratulate the hon. Member for Bolton South East (Yasmin Qureshi) on bringing her Bill to this stage of the parliamentary process. Having introduced a private Member's Bill myself and, thankfully, succeeded in getting it on to the statute book last year, I know what a difficult job it is, and that it only works with the co-operation of many other people.

Like every other Member, I experienced flexible working myself during the pandemic. As many will attest, it was not without its challenges and required a degree of getting used to. It is fair to say some people enjoyed the experience rather more than others. Perhaps I am showing my age when I say that I struggled a little more than some of them! From a practical perspective, however, although many people thought it would be a difficult scramble to enable the majority of the nation to begin working from home for the first time, what we actually saw was a much smoother transition than had been expected. According to a report published following the pandemic by Buckinghamshire Business First and Chandler Garvey, a firm of commercial property consultants in my constituency, more than three-quarters of those surveyed in Buckinghamshire found the transition to remote working simple; so it can be done.

The fact is that working practices change over time. The incredibly late nights and unpaid overtime that I considered entirely normal when I started my career are today roundly rejected. Indeed, many people embarking on their careers, often fresh from university, see the work-life balance and the ability to work flexibly as a top priority, and in surveys it is frequently placed above salary expectations. The Bill will help in that regard. In particular, requiring employers to consult employees before refusing a flexible working arrangement will



[Rob Butler]

allow greater transparency in the working environment, and will hopefully result in an outcome that suits both parties. I emphasise the words “both parties”, because employers’ needs and businesses’ requirements must of course be properly recognised, and I think that the Bill achieves the balance that is necessary for that to happen.

As we know and as has been pointed out today, individual circumstances can change at any moment, and the Bill provides a framework to accommodate that. It will doubtless be helpful that staff will be able to make two flexible working requests in a 12-month period, as opposed to the one that is currently permitted. It would be rather odd if someone’s circumstances changed immediately after they had been refused permission and they were then not even entitled to ask for a reconsideration, so I think that this measure is entirely reasonable. Employees will also benefit from the reduction in the deadline for an employer to make the decision on requests from three months to two.

As the hon. Member for Bolton South East has said during earlier debates on the Bill, there is no one-size-fits-all approach to flexible working. On Second Reading, many Members spoke about the importance of flexible working arrangements in helping to remove some of the invisible barriers that can hold people back in the more traditional working environments. They could include living in high-cost accommodation close to the centre of cities—flexible working might well enable people to live further away from work if they come in less often—or suffering in increasingly crowded commuter trains, an experience that I know my constituents in Aylesbury would be grateful to avoid. However, I agreed with my hon. Friend the Member for Bury North (James Daly) when he emphasised that the impact of working from home can be broader than the impact on the individual employer’s business. Aylesbury town centre is undoubtedly seeing much less footfall and lower spending now that fewer people are required to go there to work. It is important for us to consider that in the round as the economy grows and develops in the years to come.

When flexible arrangements are agreed between employees and employers, the benefits can work both ways. From a business perspective it can be an opportunity to retain the skills and expertise of experienced workers. Hon. Members have already suggested that there are some people, perhaps in their 70s, who could perhaps spend a little less time on the golf course and more in the office, boardroom, or potentially on the production line. I am not expressing exactly where any particular arrangement should work in an organisation, and it is important that there is that flexibility. We know that at the moment there is a challenge with the over-50s having perhaps left the workforce, and we must do everything we can to get them back into the workplace. If I may stray a little from the narrow confines of the Bill, we may want to look at pension arrangements to encourage them to do so. Flexible working practices can also lead to a more diverse and senior leadership team, which again can be welcome. There are societal benefits in other circumstances, such as parents spending more time with their children, as my hon. Friend the Member for Buckingham (Greg Smith) highlighted. Having met his three children I can well understand why he would want to spend as much time with them as he can.

One point that bears repeating is that made by my hon. Friend the Member for Watford (Dean Russell), which is that flexible working does not mean purely working from home. It can mean doing a week’s hours in four days rather than five, or starting and ending the working day at times that allow an employee to fulfil other commitments such as caring for an elderly relative. I welcome that type of flexibility and look forward to its being appropriately used, hopefully as a result of the Bill making its way to the statute book.

It is important to strike the right balance between the rights of employees and employers. There will always be some businesses and organisations where it is much more difficult to work flexibly. Much has been said about parents needing to pick up their children from school, but for teachers in that school flexible working will be much tougher, and it will require a good deal more imagination to enable that when they need to be in front of their class during the day. Both employers and employees need to approach this challenge with a flexible mindset so that there can be benefit to all—a win-win, if you like, Madam Deputy Speaker. In conclusion, I again congratulate the hon. Member for Bolton South East, and wish her well as the Bill continues its passage to the statute book.

11.52 am

**Rachel Hopkins** (Luton South) (Lab): It is a pleasure to respond to the debate from the Opposition Front Bench. I thank my hon. Friend the Member for Bolton South East (Yasmin Qureshi) for bringing this important Bill to the House, and for working with Ministers, employers, trade unions and other organisations to get it to this stage. She made an excellent speech, and I commend her for her tireless campaigning for unpaid carers. She knows that the Bill will help many across the country to balance work with caring for their loved ones. Recognition must also go to the TUC for its Flex for All campaign, as well as to other organisations from the Chartered Institute of Personnel and Development, to Working Families and Pregnant then Screwed for their campaigning on this issue and for holding the Government to account.

I reiterate what has been said at previous legislative stages of the Bill. The Bill has Labour’s full support, but we still expect much greater action from the Government to enhance workers’ rights. The data tell the story: there are currently 1.5 million more women out of and not looking for work than men. The number of economically inactive working-age women rose by 124,000 last year, compared with the previous year. Gaps in employment because of a lack of flexibility can cause a loss of confidence to return to work, as well as resulting in reduced pension entitlement and barriers to career progression, not to mention the gender pay gap.

Labour welcomes the provisions in the Bill, which will begin to help create the environment for a fairer and more equitable discussion between employers and employees about flexible working. The covid-19 pandemic has changed how we work, with both employers and employees recognising the business and personal opportunities created by flexible working. The Bill represents an important step to ensuring that legislation reflects where we are as a society.

Many Members have spoken on this common-sense Bill, particularly from the Government Benches, and we heard from the hon. Members for Watford (Dean Russell),



for Orpington (Gareth Bacon), for Newcastle-under-Lyme (Aaron Bell), for Bury North (James Daly), for Stoke-on-Trent Central (Jo Gideon), for Buckingham (Greg Smith), and for Aylesbury (Rob Butler). We also heard interventions from the hon. Members for Dewsbury (Mark Eastwood), for Broadland (Jerome Mayhew) and for Aberconwy (Robin Millar). Far be it from me to point out that they are all—as I am—from the 2019 intake, and therefore are the Conservative MPs with the most recent experience of the world of work. Perhaps they are getting their bids in early for when they return to the world of work in a year and a half or two years.

Improving access to flexible working will help the parents of young children, single parents, women, carers, older people and people with disabilities or health conditions. Accessing flexible work is not equal for all: a TUC poll found that one in three flexible working requests were turned down. People want to stay in work and earn a living, but too many are being forced out of the labour market. At present, one in five economically inactive people say that the reason they are economically inactive is that they are responsible for other family members. We know that many women are disproportionately affected by barriers to accessing flexible working, which are compounded by poor access to affordable childcare and to adequate parental leave.

The Bill will contribute to breaking down barriers to the workplace and will help employers to create stronger, more diverse workforces. I stress that flexible working is about not just working from home, but a fundamental change to working practices to improve the lives of all working people. The ability to work flexibly is crucial to achieving gender equality in the workplace and a fairer, growing economy to change our economy and the world of work for the better.

The Bill is a step in the right direction, but workers still need greater protections. Flexible working should not be a nice-to-have or a job perk, but an employment right. We need to see the Bill as a starting point, not the end point.

Following years of dragging their feet on their pledge to make flexible working the default, the Conservatives have agreed to back only these watered-down proposals. They pledged to include regulations on flexible working in their long-awaited employment Bill. That Bill was announced in the 2019 Queen's Speech, and it was stated that it would

“make flexible working the default”,

but it was seemingly shelved in last year's Queen's Speech.

Beyond responding to this private Member's Bill, the Government have repeatedly failed to follow through on their promises to promote flexible working. Labour is proudly committed to strengthening rights at work. Although the Government are willing to allow workers the right to request flexible working, Labour's new deal for working people will ensure the right to secure flexible working for all workers, as default from day one, with employers required to accommodate that as far as is reasonable.

**James Daly:** Will the hon. Lady clarify that point? Is it the case that if, for good reason, a small or medium-sized employer cannot afford to accommodate flexible working, because of the nature of their business, a Labour

Government would legislate to say that that is unlawful and that it had to, no matter the financial consequences for the business? *[Interruption.]*

**Rachel Hopkins:** The Minister chunters from a sedentary position. I beg to disagree: Labour is the friend of small businesses. If the hon. Gentleman had listened to the end of my sentence before jumping to his feet, he would have heard me say, “as far as is reasonable”. There is a better balance to be had, but there is still a requirement to have a discussion and for it to be as far as is reasonable for the business.

**Gareth Bacon:** I am bit confused about the hon. Lady's response to my hon. Friend the Member for Bury North (James Daly). How, then, does Labour's position differ from what the Bill seeks to achieve? It sounds identical.

**Rachel Hopkins:** This gives day one rights at work, compared with—*[Interruption.]* We would like to see a greater ability for employees to secure flexible working as a right from day one through discussion.

In response to the hon. Member for Bury North, I want to build on the point that the right to flexible working includes flexible hours, compressed hours, staggered hours, and flexibility around childcare and caring responsibilities. There are examples of its being a win-win-win, such as in Luton when, following cuts to budgets, the refuse operatives came up with a new working model that resulted in the same productivity in four days rather than five. It not only met their needs but supported the needs of the business and—sadly—met an objective to make savings.

We know that allowing working people to ask for flexible working is one thing, but ensuring that all workers have the opportunity to benefit is another.

We are committed to ending one-sided flexibility, so that all workers have secure employment and regular and predictable working hours, enabling them to plan their lives around a stable job. We want to ensure that businesses can truly maximise the talent of their employees by creating thriving working environments. Evidence shows that that will greatly increase recruitment and retention. Research by Working Families found that only three in 10 UK parents would be likely to apply for a job that did not list flexible working options in the advert, yet eight in 10 UK parents would be likely to apply for a job if it did list flexible working options in the advert.

**Jo Gideon:** I am confused as to why the hon. Lady's position seems to be that employers would not want to provide more flexible working and need a labour law to enforce them to do so. That is not my understanding of business. I know that the Labour party claims to be the friend of business, but I am not quite sure how we can be a friend to business and assume that businesses do not have the interests of their employees at heart.

**Rachel Hopkins:** I take the hon. Lady's point. However, not all employers operate as effectively as the ones that she has experience of, because many people have not had the opportunity to secure the flexible working they need and have had requests turned down.

[Rachel Hopkins]

Importantly, Labour would ensure that businesses can truly maximise the talent of their employees by creating thriving working environments. We would support small and medium-sized businesses to adapt to flexible working practices and to increase the uptake of flexible working, which is good for people and good for businesses. It would boost productivity, employee engagement and staff retention.

In closing, it is right for me to refer to my personal experience. In my career, before having the privilege of being the Member of Parliament for Luton South, I enjoyed the benefits of flexible working arrangements at first hand, both as an employee and as a manager of people. As an employee, I flexibly balanced my working hours both when studying part-time for a Masters degree as well as when I was a local councillor carrying out my duties. While working in human resources, I saw how flexible working—whether it be hours or location—can suit different people's lives and commitments, especially women, and help to retain expertise and talent in the workplace when people's circumstances change.

I end my remarks by reiterating that we wholeheartedly welcome the introduction of this Bill. It is a long-overdue and positive step that will help hard-working people across the country, and I am pleased that it has the Government's support.

12.2 pm

**The Parliamentary Under-Secretary of State for Business and Trade (Kevin Hollinrake):** I thank the shadow Minister for her very positive comments at the end of her remarks. I shall pick up one or two of the other points, if I can, as I go through my remarks.

First, let me thank the hon. Member for Bolton South East (Yasmin Qureshi) for all her hard work and engagement in bringing forward this important legislation at this time. It has been a pleasure to work with her. It is always a pleasure and an honour to introduce a private Member's Bill. I have had that opportunity twice—both were successful—in my career as a Back Bencher. I know that she will feel a great deal of pride at today's events.

The Government have been very pleased to support the Employment Relations (Flexible Working) Bill through its various stages, and, of course, that will continue today. It has been heartening to observe the support for the Bill across the House, and I was pleased to hear that reflected in this debate.

The ability to vary the time, hours and place of work is an important element of the flexible labour market in Great Britain. Having access to flexible working arrangements enables employees to participate in the labour market in a way that suits their circumstances. Indeed, it brings people back into the workplace. Let me illustrate that point. There are more than 8 million people working part-time in the UK. For many of those people, such flexibility is a need rather than a choice.

The shadow Minister raised the fact that we want to attract more women back into the workplace, and I absolutely support that aim. I reiterate that this is one of six private Members' Bills that the Government are supporting and those include some very important other measures, such as carer's leave, neonatal leave, and

pregnancy and return to work protections, to make sure that women feel more comfortable and protected in the workplace.

Crucially, for businesses, this Bill supports a diverse range of work arrangements, which can be key in retaining people and keeping them productive. We know that one key challenge for business is finding and retaining the right people. Crucially, the Bill provides a right to request, not a right to insist. I, too, was a little confused about Labour's position, because the Bill provides a right to request, which is a right to be granted flexible working subject to reasonable measures; there are eight grounds on which a request could be refused. Crucially—I was pleased that my Conservative colleagues were keen to point this out—this is not a right to impose flexible working on businesses, as that would be the wrong thing to do. We know that there are many burdens on businesses at the moment, not least some of the challenges associated with the cost of living, and adding further burdens would be a mistake if they would be an imposition.

The post-implementation review of the Flexible Working Regulations 2014 found that employers have seen improvements in staff motivation and employee relations because of flexible working. That point was made clearly by the hon. Member for Bolton South East. Reduced absenteeism and lower staff turnover was also found. Research indicates that flexible working can unlock opportunities for growth and, indeed, access to the station platform, as was pointed out by my hon. Friend the Member for Buckingham (Greg Smith). It suggests that in the absence of suitable working hours or locations, groups of people are not employed, have retired early or are working below their potential. Some 500,000 people of working age have left the workplace since the start of the pandemic and it is crucial that we bring them back into the workplace, as was mentioned by the hon. Member for Bolton South East and by my hon. Friend the Member for Orpington (Gareth Bacon). He rightly pointed out that the costs and burdens of these measures are relatively limited, at about £2 million. It is always right to look at the cost to business of these kinds of measures.

These measures are supported by a recent Office for National Statistics study, which showed flexible working hours to be the most important factor in determining whether older workers who have left the workplace since the start of the pandemic will return to the labour market. Again, that point was made succinctly by my hon. Friends the Members for Aylesbury (Rob Butler) and for Newcastle-under-Lyme (Aaron Bell), who talked about a lady of 82 returning to the workplace, which was very impressive. Sadly, my mum passed away when she was 84, but she was proud to work every single day until then. He also talked about the stores of wisdom of people who have left the workplace but whom we are trying to attract back into it, and I could not agree more with that position.

From running my own business, I know that accommodating a particular working pattern can often be the difference between losing and retaining a valued member of staff. The right to request flexible working is very good enabling legislation. It acknowledges that there is no one-size-fits-all approach to working arrangements, as was pointed out by my hon. Friend the Member for Stoke-on-Trent Central (Jo Gideon). It is designed to help employees and employers find

arrangements that work for both sides, and it is functioning well. The post-implementation review of the legislation found that in 83% of workplaces where a request is made the request is granted, with only 9% of workplaces reporting turning down such a request. That is why our 2019 manifesto committed to consult on ways to improve access to flexible working. That consultation was primarily focused on adjustments to the right to request flexible working. We published our response to that consultation at the end of last year and I am pleased that the measures in this Bill reflect what we set out in our response; most importantly, this becomes a day one right. I wish to pick up on the comments made by my hon. Friend the Member for Watford (Dean Russell), who did such fine work in Committee and as my predecessor in this role. That day one right did not come as a result of the amendment, which was withdrawn in Committee; we made the commitment, in consultation, that that was our intention and it was what we confirmed later that week.

These important changes will facilitate better access to all forms of flexible working, whether it relates to when, where or how people work. My hon. Friend the Member for Buckingham and the shadow Minister both mentioned the importance of childcare to getting people back to work. One note of caution, of course, is that childcare is very expensive for the taxpayer, around £3.5 billion a year. We would all like to expand childcare provision, but all hon. Members, certainly on my side of the political divide, are keen to ensure that taxpayers' money is spent wisely.

**Greg Smith:** I reassure the Minister that my point was less about needing more taxpayer subsidy than about ensuring that all employers are aware of the needs of working parents so that their businesses and enterprises are able to gain their skillset, for their own good and that of the wider economy, by allowing them to work flexible hours.

**Kevin Hollinrake:** My hon. Friend makes a very good point, and I agree entirely. As an employer, we were very keen to get people back to the workplace who had gone off on maternity leave, and we would be as flexible as possible in facilitating that. I think all good employers do, as indicated by the fact that 83% of employers agree to requests for flexible working.

The consultation requirements will mean that employers and employees are encouraged to have a broad conversation about what flexible working arrangements may be workable. This will avoid the scenario in which an employer rejects a specific request out of hand, as my hon. Friend the Member for Watford explained very well.

My hon. Friend the Member for Bury North (James Daly) asked what "consultation" means, which is a good question. ACAS will update its code of practice to make sure that employers are clear on the requirements. The current code of practice requires only a discussion, which could be over the telephone or face to face, and the update will explain what it means in practice.

Allowing employees to make two statutory requests in 12 months will mean that legislation is better able to respond to changing needs and requirements; reducing the timeframe within which employers must respond to requests will speed up the whole process; and removing

the requirement for an employee to set out the impact of their requested change will level the playing field and remove red tape from the process.

I thank my predecessors, my hon. Friends the Members for Watford, for Loughborough (Jane Hunt) and for Sutton and Cheam (Paul Scully). I also thank the civil servants in my private office who do such a fine job and who have done so much legislation in recent weeks and months with such great care and expertise: Matthew Wootton, Tony Mulcahy, Roxana Bakharia, Jayne McCann, Ana Pollard, Bryan Halka, Dan Spillman and Cora Sweet.

Supporting this Bill is in line with the Government's ongoing commitment to building a strong and flexible labour market that supports participation and economic growth. Our 2019 Conservative manifesto committed to encouraging flexible working, and this Bill is a positive development for individuals and businesses alike. I wholly support the passage of this Bill as it moves to the other place, and I commend it to the House.

12.13 pm

**Yasmin Qureshi:** With the leave of the House, I am truly grateful to all parliamentary colleagues who have come to the House today and who were here on Second Reading, and particularly those who agreed to sit on the Public Bill Committee. I genuinely felt humbled when I saw them all turn up in Committee, because they did not have to do so. There was no three-line Whip, so they chose to be there. I am truly grateful to all of them for attending.

Before I conclude, I would like to tell the House a little story. I have been a Member since 2010, and every year I used to put my name forward for the ballot. Last year, when we were sent the notice, I thought, "I've never been successful in the previous 11 years, so why should I even bother?" It just so happened—I do not know why—that on that particular day I kept coming across my hon. Friend the Member for Easington (Grahame Morris), and every time he saw me, he asked, "Have you put your name in the ballot box?", and I said no. After the third reminder, I went and put my name in, and I was successful. I suppose that is a lesson for all Back Benchers: it is possible for them to get their own Bill.

As a Front Bencher, I have been involved in Public Bills, but this is the first time I have dealt with my own Bill. It was not only a pleasure but a steep learning curve as I discovered how to take the Bill through. Of course, it is the first time I have had the chance to work directly with Ministers and civil servants in the Department. I thank the Ministers I have been working with: the hon. Members for Sutton and Cheam (Paul Scully), for Loughborough (Jane Hunt), for Watford (Dean Russell) and for Thirsk and Malton (Kevin Hollinrake). I also pay enormous tribute to the hon. Member for Castle Point (Rebecca Harris), the lovely Whip, who has been instrumental in guiding and helping me, so I thank her for that.

I thank all hon. Members for their contributions, including the hon. Member for Watford, who was one of the Ministers, and the hon. Members for Orpington (Gareth Bacon), for Newcastle-under-Lyme (Aaron Bell), for Bury North (James Daly), for Stoke-on-Trent Central (Jo Gideon), for Buckingham (Greg Smith) and for Aylesbury (Rob Butler). I also thank my hon. Friend



[Yasmin Qureshi]

the Member for Luton South (Rachel Hopkins) for responding on behalf of the Labour party, and the Minister for signalling the Government's support for the Bill.

I am glad that Members on both sides of the House agree with the Bill. It is an important piece of legislation that will have an impact on millions of people. I commend it to the House. I am glad to say that the noble Baroness Taylor has agreed to sponsor it in the House of Lords. I wish it a speedy journey.

*Question put and agreed to.*

*Bill accordingly read the Third time and passed.*

**Mr Deputy Speaker (Mr Nigel Evans):** Congratulations, Yasmin Qureshi.

## Electricity Transmission (Compensation) Bill

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

*Third Reading*

12.17 pm

**Dr Liam Fox** (North Somerset) (Con): I beg to move, that the Bill be now read the Third time.

It is one of the in-built oddities of democratic politics that more plaudits tend to be generated by dealing with a problem than by preventing one, yet that is exactly what this Bill sets out to do. We have a problem in North Somerset, and the purpose of this Bill is to prevent it becoming a problem for people in constituencies in other parts of the country.

As we replace our dependence on fossil fuels, for strategic and environmental reasons, with an increased use of renewables and nuclear, there is a need for new infrastructure for electricity transmission. As I have said at every stage of this Bill's progress, that is something that we all accept as necessary. However, as we do that, we must not allow the rights of individuals to be overridden by the systems for compensation and the current legislation.

Anyone who has not yet seen what is coming to the rest of the country and who wants to get a look at the new T-pylons, which will replace the classic ones that we are all used to seeing, should feel free to take a drive down the M5. They will see what looks like something out of "The War of the Worlds" appearing across the countryside. It is a matter of taste whether people find the new pylons attractive or unattractive, although for the life of me I cannot understand why we have chosen white, which is just about the most stand-out colour with the greatest impact on the visual environment; if we wanted them to blend in better, a coat of green paint would not go amiss. But who knows? In time we may come to accept them visually, just as we came to accept the previous pylons.

This all occurred because we are increasing the voltage in our overhead cables and getting the new infrastructure to link the new Hinkley Point C nuclear power station with Avonmouth. Actually, the quickest and shortest route would have been undersea. I still think it was a huge mistake not to go ahead with that approach, but that is going over history; we now have the new pylons.

The problem we face is that the combination of planning law and current compensation methods hugely favours companies such as National Grid and the distribution companies over our constituents. If they want to put in an access road to build the new pylons or ensure the right to maintain them in time, they can do so; if constituents object, their property can be compulsorily purchased. At present, if National Grid tells our constituents that they will get a certain amount of compensation, and they do not like it, they end up having to go through the court system, which can be hugely expensive for individuals. There is not much point in having rights in law if those rights are too expensive to enforce. The whole point of the Bill is to redress that problem and ensure timely, accessible, affordable and binding arbitration that gives our constituents fair access to justice in a way that will not result in a potentially huge financial cost.

As I told the Bill Committee, the genesis of the Bill was that one of my constituents went to National Grid and said, “I’m not willing to accept your treatment. I’m going to see my MP.” They were told, “Fine, go and see him: he won’t be able to do anything about it”—but one of the great things about being an elected Member of Parliament is that we can do something about it. I hope that that individual is listening and watching as we do something to redress the balance in the David and Goliath struggle and help our constituents to deal with it.

Most of the issues raised on Second Reading have successfully been dealt with by amendments tabled in Committee. I am extremely grateful to the Minister: throughout the Bill process, he showed the constructive disposition with which I was familiar from working with him at the Department for International Trade. We made particular progress on ensuring—I would welcome it if he reiterated this point—that disputes that are not settled when the Bill comes into effect will still be covered by it. It is a matter not of seeking retrospection, but of ensuring that where disputes have not been settled, our constituents can use the provisions set out in the Bill.

One issue is perhaps not as completely settled as I would like. The Bill relates to new transmission, but I would be grateful if the Minister confirmed that it will also cover distribution. That is a slightly lesser issue for our constituents at present, but if we replace the distribution network as part of the Government’s drive towards net zero and decarbonisation, there could be considerable disruption for our constituents as a consequence. The question that will arise is: at what point does updating and upgrading become new, and therefore within the scope of the Bill?

**Greg Smith (Buckingham) (Con):** My right hon. Friend is making a powerful case for the protection of all our constituents. On the point he just made, does he agree that such disruption is coming down the line? We are seeing a huge increase in the number of companies wanting to install solar panels, particularly on the roofs of distribution centres and warehouses up and down the country, but finding they cannot do so because there is no substation nearby to take the power in. If we are to have that revolution in solar energy on the rooftops of the United Kingdom, such fundamental change to distribution and substations is going to come.

**Dr Fox:** I am grateful to my hon. Friend for raising that point. It is true that we will require substantial new infrastructure. However, if we are going to do that successfully, surely we need the assent of the people of the country to do so—and if we are to get that, we must ensure that they are given the appropriate mechanisms to seek redress, should they come into conflict with some of the very large corporations that I have mentioned.

I would be grateful if my right hon. Friend the Minister could just deal with that issue. I would like him to tell us that, as we develop this upgraded distribution network, it will count as new infrastructure and therefore fall within the remit of the taskforce he is going to set up. I welcome the acceptance of the amendments, which I think fulfil the cross-party spirit of support throughout this process—I do not see it visually represented on the Opposition Back Benches today, but I know Opposition support was there.

I look forward to my right hon. Friend coming forward with the details of the taskforce. There are two things we will specifically want to see. The first is a speedy process for setting up the taskforce and for how it comes to its conclusions, so we can get as early a utilisation of this legislation by our constituents as possible. The second is that the taskforce itself is fully representative, so it is not simply from the producer side of the equation, but at least equally weighted in terms of those whose properties may be affected, including the farmers up and down the country who are likely to be affected more than most.

I am very grateful to the Government for their support for this Bill and look forward to it becoming law, and I look forward even more to my right hon. Friend the Minister having the opportunity to clarify these small points in the way I know he is more than capable of doing.

**Dean Russell (Watford) (Con):** Will my right hon. Friend give way before he sits down?

**Dr Fox:** After I have concluded but before I sit down—I suppose my hon. Friend is just in the nick of time.

**Dean Russell:** I thank my right hon. Friend for giving way at the last moment. Will he clarify for my constituents in Watford, who may not be directly impacted by the Bill but I am sure are very supportive of it, that while this is about fair compensation for disruption, ultimately it ties into the fact that people are increasingly using electricity far more, to charge their mobile phones, electric cars and so on? As the infrastructure grows, we need to make sure there is fair compensation for those people who may have to have the infrastructure put in place on their sites.

**Dr Fox:** My hon. Friend shows yet again that timing is everything in politics. He says that his constituents may not be affected by this Bill; I would correct that, if I may, to say that they are not affected by the changes yet. These changes are coming, to the whole country, sooner or later. We in North Somerset may be at the beginning of that process and may therefore have been the most affected up to this point, but as we move towards decarbonisation and net zero there will need to be, as my hon. Friend the Member for Buckingham (Greg Smith) said, an upgrade of our entire system of transmission and distribution. As we use more electricity, as my hon. Friend the Member for Watford (Dean Russell) says, there will be all the more need for that system to be robust.

Therefore, while the provisions of this Bill may not affect a number of constituencies yet, they will at some point affect them all. As I said at the beginning, we do not always get credit in politics for preventing a problem; let us hope that today is the exception that proves the rule.

**Mr Deputy Speaker (Mr Nigel Evans):** Friday is always a day for firsts. I have never allowed a photo finish intervention before, so congratulations Mr Russell.

12.29 pm

**Rob Butler** (Aylesbury) (Con): I rise in support of the Bill brought forward by my right hon. Friend the Member for North Somerset (Dr Fox), which sets out to empower landowners with a clear, fair, affordable and enforceable means of dispute resolution with electricity network operators. I must commend him on all the work he has undertaken to get the Bill to this stage. I think he has the unusual record of two successful private Members' Bills in two consecutive years.

In the pursuit of greater energy security and meeting the goal of net zero, the UK faces the daunting task of significantly expanding and upgrading its electrical infrastructure across the country. As my right hon. Friend said, as we seek to decarbonise our energy by doing things such as using heat pumps in place of existing gas or oil-powered heating or having electric cars, the demand for electricity will inevitably be far greater in future decades than at present in each and every constituency of this country.

Furthermore, today's one-year anniversary of Putin's illegal invasion of Ukraine and its consequential energy crisis brings into sharp focus the importance of ensuring our energy security here in the UK. It is essential that upgrading the power grid is conducted effectively, efficiently and economically for the British people, given how heavily we depend upon it. Regardless of how many innovative forms of energy production we introduce, the grid's expansion and transformation are critical factors in pursuing the targets of decarbonisation and greater energy security.

It is estimated that as much as 600,000 km of additional distribution network cabling lines could be required by 2050 across the country. That is a staggering figure, and it will inevitably have a serious impact on landowners, as is the case with all large infrastructure projects. I know all too well the way these large infrastructure projects can disrupt local communities from the bitter experience of HS2 in my constituency. Its construction works continue to bring disruption to local residents and businesses, and to wreak devastation on our beautiful Buckinghamshire countryside. The perpetual road closures and the resulting traffic delays caused by HS2's construction fill my inbox each and every week.

I consistently raise these concerns with HS2 Ltd and its contractors, but rarely do we see progress, because we do not have the support in legislation that the Bill will introduce. Farmers in my constituency have felt powerless against HS2 Ltd when subjected to the invasive requirements of access to their land, resulting in distress and uncertainty. No landowner should feel that they are pitted in the scenario of David and Goliath, and my right hon. Friend's Bill seeks to address that, at least with respect to electricity transmission.

The Bill sets the stage for encouraging the use of alternative dispute resolution processes between landowners and network operators, such that cases can be resolved out of court. I believe this will establish an effective baseline for network operators to be good neighbours with communities, and may well serve to allay many of the grievances that landowners could have when deprived of their land or having their land used through no fault of their own. While the Bill will not impede the necessary and, indeed, accelerated expansion of infrastructure, landowners and communities will be empowered to have a say and to be included in the process, and that must be right.

In times to come, I am confident that some of my constituents will benefit from the ramifications of the Bill. As my right hon. Friend has said, this issue will affect each and every constituency across the country. Already, Aylesbury has been highlighted as an area in which the existing power grid is constrained, and it is in the process of being upgraded. However, our historic market town is also challenged by the massive expansion of housing, with a total of 16,000 new dwellings scheduled to be built in and around the town between 2013 and 2033. We are already around halfway through that process. Those households create greater demand for electricity already, and they will continue to do so in the next 10 years. This Bill is a reassurance that in the future, my existing constituents who own land that may be required by electricity network operators could have reasonable means to resolve any disputes that arise.

I add in passing that the housing development I referred to will also require considerable investment in my town in other infrastructure, which is at breaking point. Traffic constantly remains the No. 1 concern. Aylesbury has been reported to have the eighth worst traffic congestion in the country. We need better roads around the town, and I urge Homes England to make rapid progress in approving the request from Buckinghamshire Council for funding for link roads, so that we can get shovels in the ground and cars on the move. East West Rail's Aylesbury spur would also significantly alleviate many of the congestion problems faced by my constituents, but despite that spur being part of the original plans, it is now in peril. I very much hope that Ministers in the Department for Transport will do everything necessary to secure that vital link.

No less important is that the thousands of new homes being built in Aylesbury require schools for all the children moving to the area, and sufficient healthcare provision.

**Mr Deputy Speaker (Mr Nigel Evans):** Order. They also require electricity.

**Rob Butler:** You are absolutely right, Mr Deputy Speaker. As I am highlighting, electricity is one element of infrastructure; I am very pleased that that infrastructure will be introduced as a result of the Bill tabled by my right hon. Friend the Member for North Somerset, but there are so many other aspects of infrastructure, which you have been kind enough to allow me to refer to in my speech. The plain truth is that we are going to need much more of that support in the years to come, and electricity will be behind it all.

As my right hon. Friend has set out to achieve, the scope of his Bill—even if it has not always been in my speech—is clear and to the point. It could save landowners and communities in Britain from the potentially prohibitive costs that are involved in litigation, the uncertainty that comes with that litigation, and a great deal of emotional stress that such circumstances can place on them. I applaud my right hon. Friend for his efforts to provide landowners with the means to resolve their disputes with electricity network operators fairly. I thank you for your generosity, Mr Deputy Speaker, and I look forward to the Bill making its way on to the statute book as soon as possible.

**Mr Deputy Speaker:** I call Mr Greg Smith—mostly on electricity transmission, I assume.



12.36 pm

**Greg Smith** (Buckingham) (Con): Thank you, Mr Deputy Speaker. It is a pleasure to follow my hon. Friend and constituency neighbour, the hon. Member for Aylesbury (Rob Butler), who so skilfully weaved into his speech many of the issues that we both face across our respective constituencies in relation to all the projects he listed. He has said that Aylesbury has the eighth worst congestion in the country; given that to get from one part of my constituency to another, I often have to go through the middle of Aylesbury, I certainly wish him every success in combating that congestion.

The wider point—I think it is very relevant, and it is why I rise to support my right hon. Friend the Member for North Somerset (Dr Fox) on what is an excellent Bill—is that we in Buckingham are no strangers to the acquisition of land in order to build something, quite often against the wishes and will of those who own that land. I am particularly referring to High Speed 2, but the principle remains the same: people should be fairly compensated when their land is taken or disrupted. Let us be really clear about this: in my constituency, the vast majority of those who see their land disrupted for projects, certainly for electrical upgrades, are farmers. Their ability to farm their land—to get their combine harvester from one side of a field to another, or to move their tractor in the way they wish—is being disrupted. Those farmers absolutely must have a clear, fair dispute resolution mechanism and fair compensation, not just for the loss of the use of that land but for the wider disruptions that that loss causes them.

Roughly this time last year, I was delighted to speak on, I think, Third Reading of my right hon. Friend's Bill that did so much good for people with Down's syndrome in this country. It is a pleasure to again support him on a Bill that will fundamentally deliver a fairer outcome for landowners in my constituency, and across every right hon. and hon. Member's constituency. The absolute need for affordable, accessible and independent alternative dispute resolution is clear and vital when we consider some of the points my right hon. Friend made about the sheer scale of improvements, upgrades and new installations of electrical power distribution systems in this country.

As I said to my right hon. Friend the Member for North Somerset in an intervention—my hon. Friend the Member for Watford (Dean Russell) also made this point—this is an issue that will affect each and every one of our constituencies, not least as we see renewables installed, be it onshore wind or solar on the rooftops of distribution centres, warehouses, factories and commercial premises up and down the country. As it stands, the grid simply cannot cope with the power input coming from many of those solar installations. That is one of the reasons why we are seeing so many applications for huge solar farms on agricultural land up and down the country. That is where, within the existing grid, the substations happen to be that can physically take in the power to distribute to all of our homes and all of the businesses up and down the country. My right hon. Friend is absolutely right to pinpoint the need to prevent a problem before it arises.

**Dr Fox:** The term “landowner” is being used very widely in this debate, but would my hon. Friend like to amplify the point that this is not simply about big

landowners, but about small farmers and those right down to the level of individual households and homeowners that will be affected? There is a key principle—I might say a conservative principle—in this, which is that those who own property and land have rights, and when they are forced in the name of the public good to have some of the natural rights of property overridden, it is only fair in principle that they get compensation and access to law and justice as a result.

**Greg Smith:** My right hon. Friend is absolutely right in what he says. In some cases, we may be talking about huge estates or big landowners, but in the vast majority of cases we will be talking about people with very modest parcels of land, smallholdings or small farms, such as small livestock farms that are of not more than 100 or 200 acres and small arable farms of 300, 400 or 500 acres. Those people do not necessarily have the means, and certainly not the capability, amid the stresses and strains of just getting on with their daily lives, to take on very expensive dispute resolution, which often involves big legal and tribunal fees, not to mention the time away from working their land in the way they want to and going about their daily business on it.

My right hon. Friend is absolutely spot-on and correct, as he always is, to say that it is a fundamental conservative principle to ensure that if we, in the name of the public good—sometimes that public good can be questionable, as in the case of HS2—need to take land, it needs to be fairly compensated. That is a non-negotiable position as far as I am concerned.

I am grateful that the Government have already indicated their support for the Bill. I urge my right hon. Friend the Minister to be clear with the House when he responds about the timescale in which the Bill will be implemented once it has achieved Royal Assent, as I have no doubt it will, not least the creation of the taskforce. In his speech, my right hon. Friend the Member for North Somerset made the very strong point that the taskforce must be representative. It cannot just be a one-sided body—it cannot look just to the power companies or to particular vested interests—but must be as broad and representative as it possibly can be to ensure that everybody gets a fair deal.

There is also the point with dispute resolution—no matter what sphere we are looking at, but in this case it is land taken for electrical distribution and transmission—that these disputes can often be long, drawn-out and lengthy. It is incredibly important, as the Bill becomes law and is implemented, that such recourse should be quick and straightforward, but that where cases remain complex and very difficult to judge, there is still a land tribunal option as well. Lastly, on the Secretary of State being asked to draw up proposals for alternative dispute resolution processes in relation to an order made under section 114 of the Planning Act 2008 about orders granting development consent, could those proposals equally relate to compulsory purchase orders under the Acquisition of Land Act 1981, which was amended by the Planning and Compulsory Purchase Act 2004? There are some large underground cabling routes being developed by the National Grid that do not fall under a development consent order. I would be grateful if the Minister gave an assurance on that.

[Greg Smith]

To conclude, I again congratulate my right hon. Friend on bringing forward another hugely important Bill that will affect the lives of many of our constituents up and down the land and, as he says, will prevent a problem before it comes to fruition. He is absolutely right to highlight the power that Back Benchers can have to solve the issues that are raised with us by constituents before they become a huge problem.

12.45 pm

**Seema Malhotra** (Feltham and Heston) (Lab/Co-op): I congratulate the right hon. Member for North Somerset (Dr Fox) on his success in the ballot and, indeed, on the Bill's passage through Second Reading, Committee and its remaining stages. I also congratulate him, as I have not put it officially on the record, on the Down Syndrome Act 2022, which I was proud to see become law in support of the work of the all-party parliamentary group on Down's syndrome.

I thank the other hon. Members who have contributed to the debate; I will make only a few short remarks. I have listened to the proceedings and reviewed the outcome of the Committee, and I recognise and understand the rationale for the Bill. The right hon. Gentleman has laid out some of the concerns that we have as a nation about recognising the need to look at energy transmission and how demand will go up. That is core to an industrial strategy and how we plan for the future, which are big questions for Parliament and for our nation. It is about having processes that look to engage fairly and empower local residents to have a voice.

I will ask some questions of the Minister and reiterate some of the concerns that were laid out by my hon. Friend the Member for Stalybridge and Hyde (Jonathan Reynolds) on Second Reading, particularly about some of the unintended consequences that could arise. I am sure that these questions will be considered by the Minister as the taskforce takes forward its work on how the balance of rights and development is achieved.

In that context, my hon. Friend the Member for Stalybridge and Hyde laid out some of those concerns and the potential negative consequences of the Bill on our national mission, which is essential to revolutionise our electricity infrastructure for the long-term prosperity of all our communities, including those in rural areas. Indeed, rural businesses have raised with me the need to look at infrastructure to support development so that they can operate with the same level of success and opportunity as businesses in towns and cities. There are different sides to the question of renewal and development of our infrastructure that we need to take into account and consider in our proceedings.

Like other hon. Members, the right hon. Member for North Somerset also referred to the energy crisis that we are facing. I am sure that he also hears about the cost of energy from local businesses and families. We want to develop our energy security and resilience in this country, and ensure that in the future we do not have the kind of crisis that we have seen in the last year, whereby skyrocketing energy bills have had an impact on our ability to employ people. We need to have a much more sustainable and long-term plan for our energy stability and security, and the price of energy should be a lot lower for all our constituents.

Research released this week by the British Chambers of Commerce shows that almost half of businesses say that paying their energy bills will be very difficult when the current business support package comes to an end in April. That is a matter of concern for all of us, and the Federation of Small Businesses has similarly shown that one in four of its members plans to close, downsize or restructure should energy relief come to an end in April.

We are in a race against time to improve our energy stability and security for the sake of our businesses and the planet. That is why the Opposition have been setting out our plans, and right hon. and hon. Members will have heard the Leader of the Opposition make a speech yesterday. We believe that we need to make Britain a clean energy superpower by 2030. That is relevant to the subject of this Bill, because we should be in no doubt that achieving the urgent mission to have clean power requires us to have a revolution in green energy technologies, to establish storage capacity, to manage peaks in energy demand, to develop new ways of balancing the grid, and to deliver comprehensive improvements to our energy infrastructure in order to expand the grid to new sources of energy.

I am sure the right hon. Member for North Somerset has heard concerns about National Grid having the capacity to expand to new sources of energy, and about seeing the transmission of energy across the country. I have a couple of questions for the Minister, who I am sure will want to ensure that the process does not inadvertently slow down some of the development that we need across all our constituencies, including in rural areas. Will the taskforce look at how improvements can be made to the processes that are currently in place? That was talked about on Second Reading, and we need to make sure that they are delivering in the way that was intended.

Some of the measures in the Bill would require the Secretary of State to draw up proposals for the use of alternative dispute resolution processes, and to look at providing compensation in this respect. Under the Bill, compensation would be paid to landowners. As the Minister has said previously, the small number of cases where there is a dispute over the amount of compensation would be determined by the Upper Tribunal in England and Wales, and by the Lands Tribunal for Scotland. Throughout the passage of the Bill, he has referred to encouraging the use of alternative dispute resolution processes, instead of immediately resorting to the Upper Tribunal.

It is worth considering why the take-up of alternative dispute resolution processes has been lower than we would want to see, and what improvements can be made. Comments that have previously been made, while sympathetic to the arguments, raise questions about the cost and the speed of the processes. We need to look at ways in which we can improve the current system and make sure that it has gone through the process of the taskforce. Perhaps the Minister can outline how he sees the taskforce working, and the engagement of colleagues through that process.

I note, too, that the aforementioned orders—the development consent orders and so on—have the safeguard of being subject to consideration by the Secretary of State. In relation to that, I note that in the energy

security strategy released last year, the Government said that to accelerate domestic supplies of low carbon and affordable electricity, the UK will need to expand “the connecting network infrastructure to support it”.

As a result, we are not fully convinced that this legislation is necessary, or that, if implemented in a particular way, it would not hinder the Government’s own express mission to expand the electricity infrastructure to enable greater use of low-carbon technologies. I would be grateful if the Minister commented on that. At a time of crisis in our energy supply and in tackling climate change, I am sure that balancing all these considerations will be at the top of his mind as well.

In conclusion, while the Bill clearly has positive intentions, I must question whether it is necessary to bring it forward in the way that is currently intended. None the less, the work of the taskforce will be important. It does not need me to say this, but the Government have failed on a multitude of fronts to get to grips with energy security and in tackling the climate crisis. I do hope that there will be ways that we can move forward in the interests of our nation to look at the speed of how we decarbonise our economy, and of how we ensure that we realise the opportunities and ambitions of the nation in going green. I finish by urging the Minister to follow Labour’s lead and to match our ambitions to make Britain a clean energy superpower by 2030 and secure our energy security once and for all.

12.57 pm

**The Minister of State, Department for Energy Security and Net Zero (Graham Stuart):** Once again, may I thank my right hon. Friend the Member for North Somerset (Dr Fox) for introducing this important legislation? I am afraid that I am not the historian of legislation that I ought to be, so I have no idea whether any Member in history has ever managed to get two private Members’ Bills in a row put into law, but my right hon. Friend is a remarkable man, and he has shown that once again by successfully steering this Bill through. The machine, as ever, always responds by trying to kill it, but such is his dexterity, insight and flexibility that no attempt to kill it is successful, and he finds a way through to deliver something that will be good for everyone. I am pleased that all the amendments were accepted in Committee on 25 January, and I am delighted to offer my support for the Bill as the Minister of State in the Department for Energy Security and Net Zero.

Although the name of my Department may have changed, the position of the Government has not, and I can confirm that the Government are fully supportive of the Bill. One key priority of the new Department is ensuring that the UK is on track to meet its legally binding net zero commitment and support economic growth by significantly speeding up delivery of electricity network infrastructure and domestic electricity generation.

The nation will have been grateful for the speech made by the hon. Member for Feltham and Heston (Seema Malhotra), but it seemed clear from its tone that the Labour party prefers appropriation to the reasonable treatment of people in delivering this. Of course, failing to engage properly with communities will slow down the transformation we need. People thinking they can ride roughshod over communities because they scream, “Climate emergency and urgency” is not the

way to do it; we have to go with the grain of communities. We have to explain the narrative. What is our narrative? As my right hon. Friend the Secretary of State has set out, we have a vision of delivering the most competitive, lowest-cost clean energy in Europe by 2035. That will have a transformative effect, not only in terms of our leading the world in reducing emissions, as we have done to date under this Government, but in enabling the re-industrialisation of the north, Scotland and Wales, with all the economic benefits that come with that. It is this Government, not the Labour party, who have delivered. When Labour left power in 2010 only 7% of our electricity came from renewables, but now it is nearly half. We are going further and faster, but making sure we do it in a way that works with the grain of communities, because if we ride roughshod over them, they will come back and will slow us down. To answer the hon. Lady’s point, this Bill will not slow down what we are doing; it will enable us to move at the speed required and make sure that we do so in a way that retains community support.

The Bill is about the building of network infrastructure, and the planning and consenting process. I thought it would be helpful to set out the Government’s commitments in this area and the work that is already under way. It currently takes about 12 to 14 years to build or reinforce new onshore electricity transmission network infrastructure, from the initial planning to the final completion and commissioning. The development of new transmission infrastructure is often on the critical path for the connection of new generation. The wonderful and extraordinary new generation that we have helped bring about, and are going to bring about in the future, is of no use if we do not have the infrastructure to get the electrons to where they need to go. The current position offers an unacceptable timeline when the electricity network is a critical enabler of our domestic energy production targets and our decarbonisation targets. We committed in the British energy security strategy to significantly reduce the timelines by about three years for delivering onshore transmission network infrastructure. We aspire to halve this end-to-end process by the mid-2020s. So we are working with developers and supply chains to increase pipeline visibility and certainty, to help accelerate the procurement.

Work is already under way to improve the strategic planning of network infrastructure, including the holistic network design. We are also improving the planning and consenting process. The Department for Levelling Up, Housing and Communities published its nationally significant infrastructure project reform action plan just yesterday, and our consultation on the revised energy national policy statements is imminent. Additionally, work is ongoing to improve work with communities and to expedite Ofgem’s regulatory approval process, but we recognise that more needs to be done. That is why in July last year my Department appointed Nick Winsor CBE to the role of electricity networks commissioner. He is advising Government on how the development process for transmission infrastructure can be accelerated. He has extensive experience in electricity networks and is currently chair of the Energy Systems Catapult, which provides technical, commercial and policy expertise to drive innovation across the whole energy system. The commissioner is tasked with looking at where further improvements can be made beyond what is already in train across Government and will be looking at providing recommendations on crucial issues such as strategic



[Graham Stuart]

network planning, planning consent and regulatory approvals. His work commenced in September and he continues to work intensively with stakeholders across the development process, within Government and across industry so that his work can deliver a valuable contribution to my Department's aims. He hopes to submit his final recommendations to the Government for review in June. The commissioner is working in collaboration with the offshore wind champion, Tim Pick, and the offshore wind acceleration taskforce, given the importance of electricity networks to the offshore wind deployment we need. We are also working with Ofgem to speed up its regulatory approvals process. So in December, Ofgem published its decision on accelerating strategic transmission investment, which includes exempting certain strategic projects from being subject to competition. That provided greater clarity and certainty to industry on which projects should be progressed, and by whom.

Communities that host network infrastructure are playing a vital role in ensuring a cheaper, cleaner and self-sufficient energy supply in Britain. It is therefore only right that they benefit from developments in their area. Although benefits to communities are already offered by industry, now is the right time, given the scale and rate of change to which hon. Members have referred, to review how community benefits are delivered. We intend to explore whether there should be a more standardised approach, or whether providing a framework or benchmark offers more flexibility that would be of benefit to the distinct needs of individual communities and projects. We will consult in the coming weeks on options for community benefits regarding onshore network infrastructure.

The Government announced a review of the energy national policy statements to ensure that they reflect the policies set out in the energy White Paper net zero strategy and the British energy security strategy, and that we continue to have a planning policy framework that can deliver the investment required to build the infrastructure needed to ensure an independent, secure energy supply as we transition to net zero. The draft energy national policy statements were subject to parliamentary scrutiny, including by the Business, Energy and Industrial Strategy Committee, which published its report and recommendations on 25 February. When analysing the responses to that consultation, we will take account of those and of any other resolutions as we go forward.

Let me talk now about the Bill. I have set out what we are doing to accelerate the build of network infrastructure, but as I have said, new network infrastructure must be built in a way that protects the rights of local landowners and communities. That is why the Bill has the Government's support. We believe that it can be a bulwark for the vital transformation that is needed for our electricity network.

Transmission owners need access to private land when installing network infrastructure, and in that situation, the landowner is entitled to compensation. We recognise that in cases in which the landowner and the transmission owner cannot agree on compensation, challenging through the upper tribunal can be expensive for landowners. The Bill presents an opportunity to address that by ensuring access to alternative dispute resolution processes, which can play such a crucial role in offering a quicker and cheaper route to resolving disputes.

We need the right expertise and the right balance of views to develop proposals, as my right hon. Friend the Member for North Somerset said. That is why we will establish an alternative dispute resolution taskforce to take the work forward. I have been asked repeatedly and quite rightly about timelines, and that taskforce will be taken forward this year. Its work will complement the ongoing work within my Department. We are already reviewing the land rights and consents processes for network infrastructure. We published a call for evidence in 2022 and we are reviewing the responses.

To answer my right hon. Friend's question on whether the scope of the proposals will extend to the distribution network and to the refurbishment of existing infrastructure, the Bill sets out only which cases must be in scope of the proposals. The Secretary of State can decide whether to extend the scope to other electricity network-related cases, including the distribution network and, indeed, refurbishment where a DCO is not in place. We envisage that the taskforce will make a recommendation on scope to the Secretary of State.

Amendments have been made to the Bill since Second Reading. I will now—briefly, I hope—explain the amendments and their purpose. Amendment 1 removed clause 1, which was replaced with new clause 1. The new clause focuses the proposals on electricity-related cases rather than gas-related cases. The new clause also moves away from proposals to establish a new mechanism to proposals to encourage use of alternative dispute resolution processes. That means that we can consider existing practices and whether they can be strengthened to meet the aims of the Bill, as well as whether new mechanisms are required. The new clause retains the key factors that the proposals must consider: that decisions are enforceable and that the process is affordable and accessible, as my right hon. Friend so fluently laid out.

Amendment 2 simply replaced “applies” with “extends” for the subsection dealing with territorial extent in clause 2—a minor technical amendment to reflect more appropriate terminology. Amendment 3 changed commencement to two months after Royal Assent, bringing the Bill in line with standard commencement procedure for primary legislation. In line with the focus on electricity transmission infrastructure, amendment 4 removed “gas” from the Bill's short title in clause 2. Finally, amendment 5 edited the Bill's long title to reflect its contents in clause 1.

I thank all hon. Members who have participated at the various stages of this Bill's progress through this place. Supporting this Bill is in line with our ongoing objective of ensuring that landowners have access to a clear, fair, affordable and enforceable system for dispute resolution. I am so grateful to my right hon. Friend the Member for North Somerset for introducing the Bill and for working so constructively with the Government to ensure that we were able to deliver on this important issue. I hope all Members will agree that the Bill should now move to the other place, where I hope it will gain the support of peers as it has gained the cross-party support of Members here.

My hon. Friend the Member for Aylesbury (Rob Butler) talked about David and Goliath and about the need to ensure that we have a system of infrastructure that works fairly and equally for people, and reflected on his experience in his own constituency. My hon. Friend the Member for Buckingham (Greg Smith)—there is something of a Buckinghamshire massive here today—

talked about solar farms and the need for infrastructure reinforcement, and pressed me on the timeline. I hope I gave a suitable answer.

I am grateful to my officials, those in the Box and those outside: Daniel Boorman, Charles Grant, Alex Chittenden, Louise Sun and Susanna Isola from my private office. I look forward to working with my right hon. Friend the Member for North Somerset to support the passage of the Bill, which I am confident will not only introduce a fairer system but aid rather than break the fast change that we need to deliver in order to have the most competitive energy system in Europe in the 2030s, which I think will underpin the return of the UK—quite properly—to its position as the premier economic power in Europe. I believe that energy is often the foundation and the secret of economic success.

1.11 pm

**Dr Fox:** With the leave of the House, Mr Deputy Speaker.

Let me first thank those who have spoken today: my hon. Friends the Members for Aylesbury (Rob Butler) and for Buckingham (Greg Smith), and—briefly—my hon. Friend the Member for Watford (Dean Russell), as well as the hon. Member for Feltham and Heston (Seema Malhotra), who not only spoke for the Opposition but was, indeed, the entire Opposition throughout the debate. I thank the Government for their support; I particularly thank my right hon. Friend the Minister, who has been hugely helpful at every stage of the Bill's progress in ensuring that its aims were improved in Committee, and the officials who helped us to get the appropriate draft into the appropriate place. I thank those who served on the Committee: as always, they were volunteers rather than pressed MPs, and I am grateful to them for their support.

I also thank the outside groups who have written to me about the Bill. One communication, which I think sums up the support I have received, is from Suffolk County Council, which said:

“As I am sure you are aware, Suffolk and the wider eastern region are subject to multiple electricity transmission projects, both overhead pylons and buried cables. Given the significant imbalance of power between National Grid and individual landowners, the proposals outlined in the Bill, to provide an effective, accessible, independent, and low-cost mechanism, for the arbitration of disputes between individuals and National Grid, is essential.”

It could not have been summed up better.

Most of all, however, I want to thank my constituents in North Somerset for their tenacity in dealing with the problems thrown up by the current system. It is their resistance and determination to secure a better resolution for themselves that has led to the Bill, and that will be extended throughout the country.

In another debate earlier today, the hon. Member for Bolton South East (Yasmin Qureshi) said that she had to wait 11 years for a private Member's Bill. What a beginner! It took me 29 years to get my first private Member's Bill, and I am extremely honoured to have had two Bills in consecutive parliamentary Sessions. I think that that is something worth waiting for, and something that might weigh on the minds of others.

Let me finally mention my hon. Friend the Member for Castle Point (Rebecca Harris), for whom I have great respect and not a little affection. As the House will know, when the ballot for private Members' Bills is being held not far from here, the Whips have a habit of calling us up and reminding us to put our names forward for the next ballot. May I say very gently to my hon. Friend that this time she might want to save herself a phone call?

*Question put and agreed to.*

*Bill accordingly read the Third time and passed.*

**Mr Deputy Speaker (Mr Nigel Evans):** Congratulations, Dr Fox. We look forward to next year's entry for the private Members' legislation.

## Veterans Advisory and Pensions Committees Bill

### *Second Reading*

1.14 pm

**Robin Millar** (Aberconwy) (Con): I beg to move, That the Bill be now read a Second time.

I cannot help but observe that today is 12 months since Putin invaded Ukraine, which we marked in the Chamber earlier today. I make clear my admiration and support for the stubborn resistance of the people of Ukraine, which has inspired all in the free world and put fear in the hearts of their would-be conquerors. This grim spectacle of the return of war to Europe must serve as a reminder, if one were needed, that the privileges and freedoms we enjoy have been hard won and, in many ways, are a gift offered by those willing to stand guard over our nation and democracy and, when required, to fight to protect it. It is their interests that this Bill seeks to promote.

I start by thanking Members on both sides of the House who have supported the Bill to this stage, many of whom have a service background. In particular, I thank Lord Lancaster, whose work on an amendment to the Armed Forces Act 2021 was the forerunner to this Bill. I also thank those across the veterans community, including many of my constituents, and the supportive charities and organisations for their feedback and thoughts.

Although the Bill contains provisions of particular interest to veterans and their families, it is clear from my conversations with Members from all walks of life and all political leanings that a desire to support our services community is widespread across the House, which should not be a surprise. After all, British forces were deployed to conflict zones in every year from 1945 to 2021. For service personnel, the last 25 years have been defined by relentless conflict, with deployments to wars in Kosovo, Sierra Leone, Iraq, Afghanistan, Libya, Syria and Mali. These former servicemen and women, to whom we owe so much, represent about one in 25 of our fellow citizens—1.9 million people. Since world war two, they have seen their colleagues fall in 29 conflict zones across the world. They have provided vital aid, disaster relief and peacekeeping in dozens more.

As I stand here today, British forces are deployed to support our allies across 17 nations. They continue to ensure safe passage on the world's oceans and, of course, they watch and stand ready in defence of our borders. They are the vital deterrent against those who would threaten our freedoms, our borders and our way of life. I know the whole House will agree that we owe a great debt to these men and women.

Conwy has the highest proportion of veterans of any county in Wales and, when I have met them, it has been a privilege to discuss life after service and, on occasion, their time in the armed forces. I have also had the privilege of meeting many serving men and women through the armed forces parliamentary scheme. The opportunity to discuss their lives and mission today has been incredibly insightful and humbling, a feeling that I know is shared by many colleagues here this afternoon. It is one of my key motivations in introducing this Bill.

Most veterans will speak of the benefits of fulfilling careers and excellent training. They will live long, happy and fulfilled lives after leaving service. Indeed, many

make an invaluable contribution to our life in Aberconwy, to their family, their community and wider society. For some, however, the transition to the civilian world is a challenge. Their struggle to deal with the practicalities of everyday life is very real. They may require help to access services, tailored mental and physical healthcare, appropriate housing, opportunities for employment, simply adjusting to the conventions of civilian life, timely financial support or, indeed, some combination of these. These stresses point to a clear duty owed by us and society to veterans, one that this Bill aims to further in a modest but important way.

In Aberconwy, I have been impressed by the work of established institutions such as Blind Veterans, which operates its principal facilities, serving veterans from across the UK and beyond, from its hospital overlooking Llandudno. I have been moved by the spontaneous emergence of groups and initiatives from within the community in Aberconwy, such as Military Minds football club and the Troop Café. These are the organic and dynamic organisations—the network of Burke's "little platoons"—that need encouragement and enabling in their work of support for veterans more than they need any direction or regulation. It is that spirit of enabling volunteers that the Bill is intended to promote.

The Government, of course, have the first responsibility in the care and support of our veterans, and I have been proud of this Government's pursuit of making the UK the most supportive society in the world for veterans and their families. Among other changes, we have enshrined the armed forces covenant as a statutory duty at all levels of public service. Last year, that helped 13,000 veterans' families improve their accommodation, supported the education of 80,000 service family children, and brought into operation the veterans' mental health high intensity service.

It would, however, be disingenuous not to recognise the long-standing concerns over the delivery of support services to veterans and their families. That can at times be disjointed, uneven and even untimely. It can also be over-bureaucratic, fostering a complexity that both prevents access and creates gaps through which the deserving and needy may fall. By way of example, just three weeks ago my office was contacted by an RAF veteran in need of a hip replacement. He was aware of the veterans orthopaedic centre in Gobowen and the services it offers, but neither he nor his GP knew how to access that referral process, despite the presence in the local health board of an armed forces champion tasked with disseminating information about working with veterans to relevant organisations such as councils and GPs.

You will be pleased to know, Mr Deputy Speaker, that this brings me to the substance of the Bill. The pressing issues of co-ordination and consistency in support for veterans point to the need for scrutiny, feedback and support at a local level. VAPCs are a less well known part of Government support for veterans. Formed as war pensions committees almost a century ago, they advise and liaise with veterans, their families and relevant organisations about their needs, issues and concerns. The VAPCs—or veterans advisory and pensions committees, to give them their full name—aim to assist, raise awareness, act as advocates and provide governance to the veterans community, and to champion the rights of veterans and their families where there is injustice, inequality or a lack of fairness.



I believe that the VAPCs have enormous potential. There are currently 12 across the UK and they are distinctive, identifiable and independent points of reference for veterans. They are staffed by volunteers. It has been my privilege to meet some of the current and former volunteers in preparing this Bill, and I would like to recognise their contribution to it. Their clear commitment, considerable efforts on behalf of veterans and, dare I say, their forthright opinions on these matters have been striking. They are a credit to their cause. They have spoken to me candidly about their desire to do more and about their frustration at the current legislative constraints. At present, VAPCs are limited in the services they can offer. They lack a clearly defined remit; as a result, their relationships with other stakeholders can be frustrated.

I hope that this Bill will start to address these concerns. First, it would move the statutory powers of the advisory committees into the Armed Forces Act. That is fitting, given the proximity of VAPCs to the implementation of the armed forces covenant. The Bill would also allow Ministers greater flexibility to amend the functions of the committees over time so that they can best serve the needs of veterans and their families. That should enable greater ministerial responsiveness to the challenges that have been highlighted by volunteers, veterans and families, and to recommendations arising from periodic reviews—notably the quinquennial review now under way, which will report in the coming weeks.

Secondly, the Bill would widen the scope of the VAPCs' role and responsibilities. Monitoring and advising on the war pension scheme and the armed forces compensation scheme is an important but essentially limited function. A much broader range of support is now available to veterans, and there is a real opportunity to make a difference by linking and co-ordinating services on behalf of individuals. Broadening the role of the VAPCs will enable them to better identify gaps in provision and co-ordination. Such scrutiny, as all politicians know, has the potential to provide further helpful incentives for action. The groups who have spoken to me are hopeful that this reform can improve feedback from veterans on important issues, such as Ministry of Defence services to veterans, and can raise awareness of the armed forces covenant within the local community. Again, that will give decision makers an incentive to action.

**Greg Smith** (Buckingham) (Con): My hon. Friend is making a powerful speech. I absolutely support the aims of his Bill, which, as he says, will give the committees greater powers and greater clarity about their role. Beyond MOD oversight, will it cover certain charities, such as one that operated in my constituency and—I have to say—let veterans down badly? Will it make it possible to intervene to fix the problems facing veterans who are let down by other bodies?

**Robin Millar**: My hon. Friend makes a very good point. This is a complex landscape. As well as the statutory bodies, there are institutions and individuals who are keen and motivated to help; I am thinking of Military Minds football club, which was started by family members who recognised the impact of service on veterans and sought to help them to accommodate and cope with everything they had to deal with. However,

it makes for a congested and, at times, overlapping and complex landscape. There are also organisations—the little platoons to which I referred.

My hon. Friend is right to mention clarification. In clarifying the role of the VAPCs and the link to Government, the Bill seeks to bring further clarity to the space so that better relationships can be formed. My hope is that, with better relationships, more effective functioning will follow and there will ultimately be a better outcome for veterans.

Thirdly, the Bill would widen the cohort of veterans and families who can access support. Currently, only those who are in receipt of funds from the war pension scheme or the armed forces compensation scheme are guaranteed help from the VAPCs. That hinders the committees' ability to attend to the broad range of social support that families and ex-servicepeople often need. As my hon. Friend points out, it also limits their ability to communicate with the wider service community, which in turn limits their ability to advocate for veterans and provide representative feedback. By widening the remit of the advisory committees to include all veterans and their families, regardless of length of service and compensation entitlement, the Bill would strengthen support services and provide all veterans with a clear means of having their voice heard in Government.

By making provision to enlarge the veterans community cohort eligible for support, widen the scope of statutory functions and increase ministerial flexibility in response to veteran needs, the Bill will offer the opportunity for dialogue, comment and even advice, rooted in ground truth—a phrase that I have heard a lot in preparing the Bill—for Ministers from the VAPCs. Although this is not explicit in the legislation, I ask the Minister for a commitment that the MOD will respond in writing to the VAPCs when they make representations to the Government.

I am pleased to say that the Bill has received support from stakeholders across the veterans community, as well as from veterans charities and from Cobseo, the umbrella Confederation of Service Charities. All that remains is for me to encourage colleagues to support the Bill so that we can take another step towards achieving our ambition for the UK to be the best place in the world to be a veteran. We also acknowledge our debt to those who have already served and, most important, we make a promise to current and future servicemen and women: "This nation and its Parliament will support you."

1.29 pm

**Alex Davies-Jones** (Pontypridd) (Lab): It is an incredible pleasure to follow the brilliant speech by the hon. Member for Aberconwy (Robin Millar). I commend and congratulate him on bringing this vital Bill to the House today, which will make a difference to our veteran community in Wales and throughout the United Kingdom. It was a privilege to be with him yesterday on the armed forces parliamentary scheme at Pirbright, along with the hon. Member for Newcastle-under-Lyme (Aaron Bell) and colleagues in the other place. As the hon. Member for Aberconwy rightly says, the armed forces parliamentary scheme gives us parliamentarians not only an insight into the brave men and women serving in our armed forces, but an opportunity to speak to veterans in our own constituencies about what life is like for them after they have left service.

[Alex Davies-Jones]

Something that is regularly brought up with me at constituency surgeries, or when I meet veterans in Pontypridd and Taff Ely, is the lack of support with and awareness of all the things the hon. Gentleman mentioned in his speech, particularly with respect to pensions and the challenges in accessing information and services. That is why I wholeheartedly support his Bill and why I support everything he does for our armed forces. He is a dedicated champion for them, and I thank him for that.

In Rhondda Cynon Taf we have a proud history of supporting our armed forces, whether that is our brave men and women serving in our armed forces, our reservists, our cadet forces, our veterans or the wider community—the friends and family of serving men and women. We are proud to have been the first Welsh local authority to receive the gold award from the armed forces covenant scheme, which represents our dedication to our armed forces in RCT.

I commend Councillor Maureen Webber, our fantastic armed forces champion, for leading the way in Rhondda Cynon Taf. She runs a veterans' breakfast morning in Rhydyfelin community centre, which is incredibly well attended; I have had the honour of volunteering myself, serving our veterans a fry-up and even singing for them. I know the hard work of the men and women there to make that event happen, and it is brilliant.

There is much more work to be done for our veterans in this country, and the Bill is a vital step forward. It goes some way to tackling some of the challenges but, as we have said, there are myriad issues facing our veterans and their families, including unemployment and access to employment.

**Tom Hunt (Ipswich) (Con):** Does the hon. Lady agree that when veterans are looking for support with next steps in their career, they can often feel there is a bit of a stigma, and that therefore the access to veterans' work coaches should be varied? Many say to me that the service is only by appointment and that they would like the option of a drop-in service as well.

**Alex Davies-Jones:** I completely agree with the hon. Gentleman. He, too, is a member of our armed forces parliamentary scheme this term, and we have seen at first hand the impact on our serving community and the concerns they have about what will happen when they leave the forces. Where will they access employment? How will they get that support? That is a big concern and more needs to be done in that area. Having a drop-in service, or someone friendly who knows that information and who they can turn to and talk to, is vital.

As I have said, there is more to be done, but I do not wish to take up unnecessary time today championing this Bill. I just want to put on the record my complete support and my thanks to the hon. Member for Aberconwy for introducing it. We need to do more in this House to support our armed forces community and the wider community. I look forward to working with the shadow Minister, my hon. Friend the Member for Luton South (Rachel Hopkins), who I know is also dedicated to that, and to hearing from the Minister in his response what more we can do collegiately as a House to support our armed forces community.

1.33 pm

**James Sunderland (Bracknell) (Con):** I rise to support this excellent Bill, both as chair of the all-party parliamentary group on veterans and as a veteran myself. I take my hat off to all of our 2 million-plus veterans in the UK for what they give to our society; it is entirely right that we support them as best we can. I commend my hon. Friend the Member for Aberconwy (Robin Millar) for bringing the Bill forward. It is an excellent Bill and I am happy to support it today.

Back in the day, as a new and younger MP, I chaired the Select Committee on the Armed Forces Bill. Members may recall that Lord Lancaster tabled an amendment that the Committee decided not to support. The reason was simple: the MOD asked the Committee to pause so that it could look holistically at the proposal. In complete deference, I say that it is to the full credit of the MOD that it has looked at it; the fact that we are discussing this very Bill on the back of that recommendation is testament to that.

I do not want to cover the Bill itself in too much detail, but we know that there are 12 veterans advisory and pensions committees across the UK: nine in England, one in Scotland, and one each in Northern Ireland and Wales. Their statutory function is to engage at a local level with war pensioners and armed forces compensation scheme recipients, and to make recommendations and representations to Government.

The policy changes in the Bill will provide for VAPCs to be given additional functions in law—that is important. Why is that important? The language in the Social Security Act 1989, which currently underpins this work, is interesting: “engage”, “support”, “represent”, “recommend”, “assist”—it is pretty flowery stuff. My view of VAPCs currently is that they are great organisations—they have good people, are well led and have considerable horse power—but they have no statutory teeth at all. The Bill is about giving VAPCs the statutory teeth they need to be able to provide defined influence—on which more in a minute. At the moment, a whole raft of people in society do great work for our veterans. We have the armed forces champions, VAPCs, fantastic charities, the third sector—the list goes on. I feel strongly that the VAPCs are the right statutory vehicle for taking that forward, and I will explain why and how in due course.

Back in November 2021, the MOD, working closely with the Office for Veterans' Affairs, provided VAPCs with new non-statutory supplementary terms of reference. That has been looked at over the past 12 months, and the decision has been made to widen those statutory functions and enable matters in the TORs to be set out in secondary legislation. This is about giving the VAPCs teeth. Why are we doing this? It is to better serve the needs of veterans and to better reflect modern-day concerns of the veteran community. Again, that is really important. Is it good that we are doing this? Absolutely, yes.

Clause 1 creates a new enabling power for the Secretary of State to make regulations establishing VAPCs for the specified areas—yes. Clause 2 repeals section 25 of the Social Security Act 1989 to make those consequential amendments in law—yes. Clause 3 is about the time period over which that will be enacted. In my view, it needs to be as soon as possible, and I urge the Minister to push the Bill through as quickly as possible.

Here is the issue: why are we doing this? Why is there a requirement for more powers in law? There is a simple reason, which I will explain. Over the past three months, the all-party parliamentary group on veterans has been running an unprecedented nationwide survey into the experience of our veterans when claiming compensation, war pensions or financial support from Veterans UK. There is no question that the majority of our 2 million veterans in the UK live happily and successfully and have fulfilling lives. But anecdotally, the APPG has been presented over many months with evidence that the experiences of individuals when dealing with Veterans UK are not always positive. The claims process right now is deemed to be too confrontational, too bureaucratic and too antiquated, and it takes too long. It may be that greater scrutiny is needed for that most important task.

In terms of trends, we know that Veterans UK has been under-invested in for years. Some staff may still be working from home, decisions take too long, calls take too long to answer, and the migration from paper records to digitisation has been too protracted. We also know that some veterans remain on a knife edge, with the prolonged, impending nature of life and death outcomes. How is Veterans UK governed? At a superficial level, the levers needed for making the changes that we think are necessary already exist in the MOD. The simple reason is that Veterans UK sits under the MOD. It forms part of Defence Business Services, and therefore the authority for its core outputs does, should and must come from good command and control within the MOD.

Again, why is that? Let us take the brief example of Corporal retired John Smith—we all have a Corporal retired John Smith in our constituencies. Having experienced an issue with Veterans UK, and exhausted his own personal options for redress, he might write to his MP. The MP writes in due course to the Minister—he is sat in his place—but the Minister then writes directly to Veterans UK for the answer. Given that there is currently no independent body dealing with grievances or challenges, Veterans UK today is both judge and jury, and effectively marks its own homework. That is not acceptable.

I have yet to meet the Minister—I will do so next week—but let me give a fleeting insight into what the survey told us. It is a cross-party survey—each of the four co-chairs is from a different party—and it received more than 1,000 responses. The headline statistics are that 76% of the veterans and personnel surveyed would rate their overall experience of claiming compensation through Veterans UK as “poor” or “very poor”, compared with just 6% rating it “good” or “very good”. Likewise, 77% of veterans and personnel rate the communication they received while awaiting the results of the application as “poor” or “very poor”, compared with 6.5% rating it “good” or “very good”. One respondent said:

“Veterans UK make it so difficult for all veterans and you feel like a criminal, there’s no compassion whatsoever.”

That is not acceptable, so we have work to do.

So what? The purpose of the survey is not to situate the estimate, but to generate the evidence needed for further scrutiny. We have now done that. I have some questions for the Minister. Does Veterans UK require a formal structural review or a dedicated delivery board? How do we know that Veterans UK is governed appropriately and whether our veterans are given the best deal? Those questions need to be answered.

To come back to the VAPCs Bill, in my view a ready solution may now exist for providing oversight to Veterans UK if that is deemed necessary. Although service charities such as SSAFA, Cobseo, the Royal British Legion and Help for Heroes, along with the new veterans commissioners, all play their part in supporting our veterans, the more formalised body of the veterans advisory and pension committees could offer that statutory solution. I again commend my hon. Friend the Member for Aberconwy for bringing forward the VAPCs Bill, which will release VAPCs from some of their legal constraints so that they can be more adaptive and innovative in working with veterans.

On the back of the Bill, the VAPCs—a significantly untapped resource—might be able to reshape the extant relationship with the Office for Veterans’ Affairs to add value. They could be given the formal task of holding Veterans UK to account by providing an ombudsman or assurance-type entity. Equally, they could be given formal oversight for decisions that become subject to challenge or independent adjudication.

**Dean Russell (Watford) (Con):** I think it is so important that this Bill goes through, and I applaud my hon. Friend the Member for Aberconwy (Robin Millar) for his work on it. I have done a lot of work with local organisations in my constituency of Watford. Does my hon. Friend the Member for Bracknell (James Sunderland) agree that everyone who works to support veterans deserve a lot of credit, given that so much of that work is done voluntarily? If there is the opportunity through the Bill to create a statutory body, that is fantastic. We should applaud everyone who is so supportive of veterans now, who has been in the past and who will be in the future.

**James Sunderland:** My hon. Friend is absolutely right. So many people in our fantastic communities across the UK are doing great work in support of our veterans, but of course we can do it better. In my view, giving VAPCs a statutory responsibility and role could be just what we need.

I will wrap up very quickly. This timely Bill, which frees VAPCs from statutory control and limitations, offers a potentially fantastic framework for enhancing their role and outputs to the benefit of all our veterans.

1.43 pm

**Mr Louie French (Old Bexley and Sidcup) (Con):** I rise to support the Bill. I commend my hon. Friend the Member for Aberconwy (Robin Millar) for his tireless work and effort to ensure that our veterans and their families are supported. It is no surprise that the Bill has received wide support, including from the Government. That reflects the utmost respect that Members across the House have for our veterans, and our strong desire to ensure that the highest possible standards of support are provided to them. The Bill reflects that desire and the Government’s drive to make the UK the best place to live for the whole armed forces community. That is something I wholeheartedly support as a strong supporter of the Royal British Legion, SSAFA and Help for Heroes.

In Bexley, there are 4,958 veterans, including many Gurkhas. That is approximately 2.5% of the borough’s population. I welcome the data being made available,



[Mr Louie French]

for the first time, from the 2021 census, which, as we have heard, has also highlighted the difficulties that veterans often face. For example, in London, 12% of veterans self-reported that their general health is very bad or bad, which is three times more than the general London population, of whom only 4% self-report in those categories.

Veterans face difficulties not only in physical and mental health, but with housing, employment and welfare. It is often a direct consequence and reflection of the sacrifices that they have made for our country, so we owe it to them to ensure that they are appropriately supported in those areas to help them to live secure and healthy lives with purpose. I welcome the help in the Bill to achieve that.

The veterans advisory and pensions committees have played an important role in providing vital advice and support for veterans—including the 4,958 in Bexley—locally. As we have heard, however, they are limited in the scope of advice that they can provide and which veterans can access them, so the Bill is important in expanding that.

It is also worth noting the significant progress that the Government have made in a range of veterans' support services, particularly through the creation of the Office for Veterans' Affairs in 2019, which sits at the heart of Government in the Cabinet Office—and sometimes in the heat of Twitter battles.

Given the lack of time, I conclude by reiterating my support for the brilliant role that our veterans have played in keeping this country safe. It is our duty to ensure that those who have served our country receive the best care. At its heart, the Bill helps to deliver on that duty, as is reflected in the support that it has received from brilliant veterans charities, including the Royal British Legion and Help for Heroes. I commend the clear passion of my hon. Friend the Member for Aberconwy for ensuring that all veterans and their families receive the support that they deserve after they have made such honourable sacrifices for our country and safety.

1.46 pm

**Aaron Bell** (Newcastle-under-Lyme) (Con): I congratulate my hon. Friend the Member for Aberconwy (Robin Millar) on bringing forward the Bill. Our veterans and their families have made an invaluable contribution to the security and freedoms of our nation. Broadly, only about a quarter of them are in receipt of a pension that entitles them to support from the veterans advisory and pensions committees as they exist. The Bill will broaden that out more widely to give them access to a better range of services to ensure that they are better looked after. It is our duty in this House to ensure that those who have served our country continue to receive the best possible care, particularly those who need extra support.

I echo my hon. Friend's remarks about the armed forces parliamentary scheme, which it has been a privilege to take part in this year. There have been too many trips to mention, but I pay particular tribute to the Royal Marines, who hosted a bunch of us last week at Camp Viking in Norway. They are doing essential work to deter Putin from his aggression in the high north.

My hon. Friend also referred to yesterday's trip to 22 Field Hospital at Pirbright. They dressed us up; everyone can see the evidence on the @22FieldHospital Twitter account. He made an excellent field medic and the hon. Member for Pontypridd (Alex Davies-Jones), who made a fabulous speech earlier, made a very fetching anaesthetist—I do not mean that she sent people to sleep; I would never say that.

**Rob Butler** (Aylesbury) (Con): On the point not of sending anyone to sleep, but of the armed forces parliamentary scheme, there was also a trip two weeks ago to the Falkland Islands, in which my hon. Friend the Member for Aberconwy (Robin Millar) and I were fortunate to participate. It was a timely reminder of the sacrifices that were made 41 years ago, which are still palpable in the minds of all Falkland Islanders today. Does my hon. Friend agree that it is in testament to the veterans who fought then that we need to introduce measures such as those in the Bill?

**Aaron Bell**: I could not agree more. Through that scheme, we are incredibly lucky to have not only the trips week to week, but the opportunities to go to places such as the Falklands and Norway—there was a trip to Oman last week as well—to see soldiers serving in the garrisons now and to pay tribute to past service. Today, we remembered Ukraine with the minute's silence and, if Avanti West Coast will allow me, I will be at a vigil in Newcastle-under-Lyme at 6 pm this evening with the people there who have done such good work to welcome Ukrainian refugees into our community. We should always remember the sacrifice of the past and the sacrifice of the present that is going on in Ukraine now.

Briefly, because I know that other hon. Members wish to speak, it would be remiss of me not to mention the Tri Services and Veterans Support Centre in Newcastle-under-Lyme, which does fabulous work in all the areas that hon. Members have spoken about, such as mental health, particularly preventing suicide, and homelessness for people at risk. It is currently engaged in fundraising to buy the building that it occupies. To support that endeavour, I have written to the Minister for Veterans' Affairs; I have had a response but I would like further engagement with him or the Minister for Defence People, Veterans and Service Families about what more we can do to support it so that it can stay in that building and renovate it.

**Jo Gideon** (Stoke-on-Trent Central) (Con): I join my hon. Friend and constituency neighbour in congratulating the Tri Services and Veterans Support Centre on the fantastic work it does in my constituency and across Stoke-on-Trent. I want to raise another point with him. Ten years ago, I signed the armed forces covenant, and it seemed to me really important that the Armed Forces Act 2021 made local authorities more mindful of the needs of veterans. I think putting this Bill on a statutory footing is important, and I congratulate my hon. Friend the Member for Aberconwy (Robin Millar) on bringing it in, but does my hon. Friend agree that it is equally important to enforce and monitor such statutes?

**Aaron Bell**: I completely agree with my hon. Friend and neighbour. The work the Tri Services and Veterans Support Centre does is across Stoke, as I should have

said. It also has a retreat in the constituency of my hon. Friend the Member for Stoke-on-Trent North (Jonathan Gullis).

My hon. Friend is completely right about the covenant. I think all public sector bodies—councils, schools and everybody else—need to take their responsibilities seriously. Only yesterday, I was speaking to soldiers serving at Pirbright about the difficulties of moving with families with young children and getting them into new schools. That is an example of where the covenant can make a difference, so I thank her for her point.

I will leave it there because I know a lot of people want to speak, but the change my hon. Friend the Member for Aberconwy is making with his Bill will make a real difference to veterans and of course to our serving soldiers when they themselves become veterans in their turn, and I commend him for his work.

1.51 pm

**James Daly** (Bury North) (Con): It is a genuine honour to be here to support a Bill from my hon. Friend the Member for Aberconwy (Robin Millar), who is genuinely one of the most thoughtful and great men of this Parliament, so I am delighted to be here.

I do not want to be a merchant of doom or negativity about this, and I defer on just about all matters to my hon. Friend the Member for Bracknell (James Sunderland), but when I looked at the Bill after it was first published I had a question. We talk about the importance of providing statutory services and the vehicles for that—our Government should certainly be proud of everything they have done to support veterans—and the point of the Bill, as far as I understand it, is to make sure that the statutory functions of veterans advisory and pensions committees reflect and serve the needs of veterans as they are now, not as they were when the initial legislation was put in place. However, I struggled to find evidence that these bodies are effective at doing what they are doing now. As my hon. Friend says, I am sure they are great people, but they have to be effective, and if they are not effective, this is just all words, although I fully agree with the ideas behind what we are requiring them to do.

We all have our own individual veterans groups in our areas, and I am very lucky with those in Bury. Clause 1 makes provisions about the membership of VAPCs, and perhaps those memberships can be widened to people who are doing good work on the ground. In Bury, that could be Owen Dykes of the Borough of Bury Veterans Association, Baz and Sam Phillips and Shirley Simmons of the Bury Veterans Hub, Steve Butterworth of another veterans group and Stewart Spensley, the fantastic landlord of the Two Tubs. Let us not keep these services to a certain group of people, but broaden them out and make sure the membership reflects the good work that is done on every street in every town in this country.

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

1.53 pm

**Rachel Hopkins** (Luton South) (Lab): I am pleased to respond on behalf of the Opposition to this important debate. I want to thank the hon. Member for Aberconwy

(Robin Millar) for bringing forward the Bill. Again, we met and got to know each other better on the armed forces parliamentary scheme, as others have. I, too, think that it is a fantastic scheme, and I encourage all Members to learn more by going on the AFPS.

We welcome the intention behind what appears to be a common-sense Bill. I want to recognise the very important role that veterans advisory and pensions committees undertake to support our veteran community across England, Northern Ireland, Scotland and Wales. Their tireless work is admirable and essential. Their current statutory functions engage at a local level with war pensioners and armed forces compensation scheme recipients—including when that relates to the Defence Business Services, the armed forces welfare services and the Veterans Welfare Service—and make representations and recommendations to the Government on any issues that veterans experience with those services.

However, we know that the environment in which the committees operate has changed over the past 10 years, with committees informally taking on broader roles in raising awareness of other initiatives that affect veterans and their families, specifically the armed forces covenant. I am sure the Minister agrees that local authorities, health bodies and other organisations must understand their obligations to veterans and their families under the armed forces covenant. That covenant is vital, as it represents a promise by the nation to those who serve or have served that they and their families will be treated fairly. That is why Labour has promised to fully incorporate the armed forces covenant into law and fulfil the important moral contract our society makes with those who serve. We strongly argued that case during the passage of the Armed Forces Act 2021, and pushed Ministers to ensure that all areas of the covenant were covered by the duty in that legislation. I note that the definition of “covenant matters” in today’s Bill reflects the same focus on just housing, education and health, but could that be expanded to include social care, employment or immigration?

With regards to the VAPCs, I recognise that in 2021, the Government introduced non-statutory supplementary terms of reference for 12 months, giving those committees a clearer, more wide-ranging role in standing up for all veterans and their families. To have a more sustained impact, the expanded role of those committees may understandably need to be put on a statutory footing, to enable them to carry out additional functions related to other aspects of the MOD’s defence business services and armed forces and veterans services; to continue to carry out the functions currently contained in the War Pensions Committees Regulations 2000 in respect of war pensioners and armed forces compensation scheme recipients; and to widen the cohort of veterans within the scope of the VAPCs’ statutory functions to include all veterans and their families. That all seems very sensible.

The Bill enables the Secretary of State to make regulations relating to the membership of the VAPCs, the appointment and removal of members and the period and terms of membership, as well as to give those committees functions related to eight topic areas. That raises a number of questions that I wish to explore further, to understand how the Bill would work in practice. First, how will members be appointed to committees under the Bill, and will there be accountability to Parliament? Building credibility in this process is a priority, as ensuring that

[Rachel Hopkins]

the process is democratically accountable would enhance the perception and impact of the committees' work. I would also like to hear how the Secretary of State will approach determining those committees' areas of work under the powers in the new Bill. For example, will measures be implemented to ensure that the Secretary of State's decision making on function areas is debated by Parliament? I would greatly appreciate reassurance on that matter.

I am sure the Minister agrees that listening to the independent voices of veterans and their families is key to ensuring that the provision delivered by the Government meets their needs. Understanding that lived experience is essential to making the UK the best place in the world to be a veteran, and as we know, veterans come from all walks of life and from across the UK. As such, does the Minister agree that the membership of the committees should reflect the breadth and depth of our veteran community, in order to put the many veterans' voices at the heart of those committees' activities? Not all veterans will have the necessary means to pursue a public appointment, so we should make sure that the appointment process is as accessible as possible to a wider pool of candidates with lived experience.

The Bill also notes that new regulations will be made under the negative parliamentary procedure. I am sure the House would welcome the opportunity to debate regulations made under these wider powers, as that would enhance accountability and cross-party opportunities for scrutiny.

Once again, I am pleased to have been given the opportunity to respond to this debate. Veterans advisory and pensions committees undertake important work to support our veteran communities, and have a vital role to play in helping make Britain the best place in the world to be a veteran. Therefore, the Bill could be a common-sense step forward, and I look forward to discussing the legislation in further detail with the hon. Member for Aberconwy and with the Minister.

1.58 pm

**The Minister for Defence People, Veterans and Service Families (Dr Andrew Murrison):** First, I declare my interest as a veteran. I offer my congratulations to my hon. Friend the Member for Aberconwy (Robin Millar), both on the content of the Bill and the manner in which he has presented it. I also congratulate the hon. Members for Pontypridd (Alex Davies-Jones) and for Luton South (Rachel Hopkins) and my hon. Friends the Members for Bracknell (James Sunderland), for Old Bexley and Sidcup (Mr French), for Newcastle-under-Lyme (Aaron Bell) and for Bury North (James Daly) for their contributions and their support for my hon. Friend's Bill.

It is an auspicious day, which we have marked appropriately in this place. On Monday, I visited Ukrainians training on Salisbury plain, at Tidworth and Larkhill, and they are a remarkable group of individuals. Our veteran community stands shoulder to shoulder with them. Slava Ukraini. Heroiam slava.

VAPCs were created in the immediate aftermath of the great war, as war pension committees. They have evolved over time and are, as my hon. Friend said, Burkean little platoons. They are there to support our

veterans and their families, and they do so to the best of their ability, but we have been listening to them and to others. We agree that their structure needs to change, which is what lies at the heart of the Bill.

This Government continue to uphold the covenant between our nation and our armed forces. As part of that, we will do all we can to ensure my hon. Friend's Bill becomes statute. It is fully supported by the Government. At present, the VAPCs' statutory remit is solely focused on engaging with the recipients of benefits related to the armed forces compensation and war pensions schemes. Under this new legislation, however, their statutory remit will include a broader range of issues such as gauging veterans' views on the support they receive from the Veterans Welfare Service and raising awareness of the armed forces covenant. This will provide me, as Minister for Defence People, Veterans and Service Families, and the Minister for Veterans' Affairs with a source of independent advice on how the MOD supports our veterans and their families.

**Sir Chris Bryant (Rhondda) (Lab):** I apologise to the hon. Member for Aberconwy (Robin Millar) for not being able to be here earlier.

The Minister will be aware of the recent research showing that a very large number of homeless people sleeping on our streets are veterans with brain injuries that were not properly diagnosed during their time in the forces. Will these committees be able to advise on how we can better support those veterans?

**Dr Murrison:** Yes, under the regulations and statutory instruments that fall from this Bill. I am more than happy to discuss this complex and nuanced issue with the hon. Gentleman on a future occasion, Mr Deputy Speaker, as I suspect you would call us out of order.

I recently visited Norcross near Blackpool, the home of the Ministry of Defence's armed forces and veterans services, to witness at first hand the wide range of very good work undertaken by dedicated people to support our veterans and their families. It ranges from administering the compensation and war pensions schemes to providing advice and support to service leavers through the transition process and beyond, to the running and oversight of the little-known Ilford Park Polish care home. The VAPCs have a key role to play in providing Ministers with a regional insight into the experiences of veterans and their families in accessing MOD services beyond their current statutory confines. I give my hon. Friend the Member for Aberconwy the commitment he seeks on responding to representations by the VAPCs.

In addition to modernising the VAPCs' statutory framework, this Bill moves the statutory basis for the VAPCs into the Armed Forces Act 2006, which is considered to be a more suitable home, as the MOD is that Act's sponsoring Department. This Bill will also ensure that the VAPCs can continue to evolve to best serve the needs of veterans and their families into the future.

VAPCs, as non-departmental public bodies, are being reviewed as part of the public bodies review programme, in parallel with this Bill. That might give hon. Members some comfort, given some of the remarks made today. I hope it will.



Although the MOD remains the sponsor body of the VAPCs, I have agreed with the Minister for Veterans' Affairs that we will consider the review's recommendations together to ensure the best outcome for our veterans, recognising that much of the support for veterans lies outside the Ministry of Defence.

I say for the record that the MOD considers that this Bill raises no issues under the European convention on human rights and is ECHR compatible.

I conclude by thanking my hon. Friend the Member for Aberconwy for his work to develop this Bill, which I wholeheartedly support. I commend the Bill to the House.

2.4 pm

**Robin Millar:** With the leave of the House, I thank the Minister for that commitment from the Dispatch Box. It will have been heard. I also thank hon. Members and hon. Friends from across the House, and in particular the hon. Member for Pontypridd (Alex Davies-Jones), who is representative of the cross-party support that exists for this Bill. If I may, I would just like to mention the contribution of my hon. Friend the Member for Bracknell (James Sunderland). In his remarks, particularly on the work of the APPG that he chairs so ably, he hinted at the breadth, depth and weight of support in this House for action on these matters, and that is the point on which I conclude. I hope any veterans watching or listening today might take heart from the support for them among Members today. I only hope that this Bill will find its way swiftly through Committee and its remaining stages and on to the statute book. I commend it to the House.

*Question put and agreed to.*

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

**Mr Deputy Speaker (Mr Nigel Evans):** Congratulations, Mr Millar.

## Local Authority Boundaries (Referendums) Bill

*Second Reading*

2.5 pm

**Robbie Moore (Keighley) (Con):** I beg to move, That the Bill be now read a Second time.

As I have said in this place many times before, local representation matters. Individuals and communities need to have trust in their local authority, which is charged with acting in their best interest, regardless of which political party may be in charge at a local level. Residents need to be reassured that the framework, the model, the structure and indeed the geographical area that they are represented within has a local authority that has not only the capability, but the capacity to act in their best interest.

My Local Authority Boundaries (Referendums) Bill aims to re-empower local communities that feel completely disenfranchised and forgotten about by their local authority. I am lucky enough to be presenting this Bill to the House once again on its Second Reading, and why? I think it so very important that local people living within a community feel and know that their local authority has their best interests at heart, and residents know that through its actions and how it delivers the services it undertakes for them.

Let us not forget that local authorities have perhaps more influence on an individual's or a family's day-to-day life than any other level of government. We all know as MPs the weight of our postbags and the vast number of emails we all receive that strongly relate to local government issues, whether that be sorting out highways or potholes, putting in speed cameras or dealing with local planning policy, housing, schools, children's services, adult services, bin collections, leisure centres, libraries, regeneration or driving local economic growth.

**Greg Smith (Buckingham) (Con):** That was a powerful list of service areas that local authorities deliver for the good of all our constituents. Does my hon. Friend agree that within the spirit of what he is presenting, the boundaries question needs to go beyond local authorities and into other public sector bodies, such as integrated care boards, where our experience in Buckinghamshire, having been segregated from Milton Keynes, makes no sense whatever?

**Robbie Moore:** I absolutely agree with my hon. Friend. We do not live within boundaries, so to speak, we live within communities, and that is why it is important not only that the local authority is best representing the community in which one lives, but that other organisations are, too, as he mentioned.

**Dean Russell (Watford) (Con):** On that point, does my hon. Friend also agree that sometimes planning applications might affect a neighbouring constituency? One of the challenges there is that those in the neighbouring constituency, while affected, might not necessarily have a say. There is an argument that local authorities should work in unison to ensure that constituents are spoken to and engaged, so that they have a say in a decision that will affect them.

**Robbie Moore:** That is another excellent point made by an hon. Friend. There is an illustration of it in Ilkley, where the border between West Yorkshire and North Yorkshire is literally the River Wharfe in some cases. There will be planning applications going through in North Yorkshire that have a direct impact on West Yorkshire. On that point, it is incredibly frustrating that Bradford Council does not allow the objections or comments on a planning application to be seen by the wider public. It hides them from scrutiny, which is incredibly frustrating for many of my constituents. The point that I am making is that these issues matter because they have an impact on everyone's day-to-day life.

**Sir Christopher Chope** (Christchurch) (Con): I congratulate my hon. Friend on bringing his Bill this far. His plea for localism will strike a very strong chord in Christchurch. When Christchurch had its independence taken away from it, a council was created with 76 members, but as Christchurch has only 10 of those members, it effectively has no say at all in what happens in Bournemouth, Christchurch and Poole Council.

**Robbie Moore:** My hon. Friend makes another excellent point. It is important that what is said by any individual who represents a body of people or a community carries weight and is heard. If a local authority is too large in terms of the number of residents it represents, or its geographical area is too great, or a single city within a local authority's boundaries is getting all the attention from that local authority, with the outlying towns and villages being deprioritised, there is a real risk that communities will suffer. Unfortunately, that is exactly what my constituents are experiencing within the communities that I represent. Communities in Keighley, Ilkley, Silsden, Steeton, Riddlesdown, East Morton, the Worth Valley and areas within my wider constituency are full of passionate people who quite rightly are incredibly proud of where they live. They want their area to grow, thrive and prosper, but, for far too long, have felt completely unrepresented and ignored by our local authority, Bradford Council.

The Bill is all about creating smaller unitary authorities, so that a local authority is able to better focus on the needs of their local residents. I do not seek to create a further tier of government, but, simply, to make local government work for local people and local communities.

**Philip Davies** (Shipley) (Con): I commend my hon. Friend for introducing this Bill. As he knows, as his parliamentary neighbour, my constituency suffers exactly the same problem as his in that it is ruled by Bradford Council but without any real say. Normally, in local elections, people would be told to vote to change their council if they do not like what it is doing. However, if all of my constituents and all of his constituents voted against the local council, it would still not change the make up of the council. That means that we are completely disenfranchised when the council is merely concentrating on its Bradford city heartland. Is it not the case that this Bill, which would allow a referendum, would enable people, including those in Bradford because it would affect them as well, to have a say? Is that not a way of making sure that people can feel properly represented by their local authority?

**Robbie Moore:** My hon. Friend and neighbour makes a valid point. He has been working tirelessly with me on this Bill, which creates a framework and a model that would enable us to unlock the potential of our communities so that they are better represented. The reality is that we are dealing with a local authority—as in Bradford Council—that is just too big, and I will come on to that point further in my speech.

**Aaron Bell** (Newcastle-under-Lyme) (Con): I fear that there will not be time for me to make a speech, so I will make my point more succinctly in an intervention. I know my hon. Friend's feelings well, because, in Newcastle-under-Lyme, we, too, have a town to our east—with due apologies to my hon. Friend the Member for Stoke-on-Trent Central (Jo Gideon). There was an attempt in this House in 1930 to extend Stoke-on-Trent to amalgamate Newcastle-under-Lyme and Wolstanton completely against the wishes of the people of Newcastle. I am happy to brief my hon. Friend further on it, because I know that it was a long time ago. He might note that a postcard poll taken at the time showed that residents opposed that extension Bill by a majority of 97.4%. It was their Lordships who took the unusual step of refusing to send the Bill to Committee on Second Reading. That is not a great analogy, because we were avoiding a shotgun marriage; he wants a divorce. But if he gets that local number in a referendum, that would really do him some good with his cause.

**Robbie Moore:** Both of my hon. Friends have picked up on the size of a local authority. My area has one of the largest unitary authorities: Bradford District Council currently has a population of around 550,000 people. When we compare that with neighbouring Calderdale Council with a population of just under 200,000, or Gateshead Council with a similar number, or even Hartlepool Council with a population of 85,000, we can see that an effective, efficient, smaller unitary authority can work and is able to deliver the services that their residents need. I will get on to the mechanics of the legislation, Mr Deputy Speaker, but it is important to use this time to outline why the Bill is so important to me and my constituents. The root cause of many of our problems is that my constituents feel that they are being used as a cash cow for Bradford and getting very little back in return.

Council tax and business rates are all sent from my constituency to Bradford city hall, while nowhere near the equivalent amount of funds are being reinvested back into our area. The Keighley and Ilkley and Shipley constituencies generate the highest tax revenues for Bradford Council through our council tax and business rates payments. Data released by the council illustrates that wards such as Ilkley, Wharfedale and Craven pay the highest proportion of council tax, with very little coming back into our areas.

**Tom Hunt** (Ipswich) (Con): Does my hon. Friend agree that part of the problem is that there are too many examples of Labour-led authorities that have put politics before delivering for residents? Ipswich Borough Council has been one of the worst performing councils in the region, despite being awarded £25 million from the Government's towns fund.

**Robbie Moore:** My hon. Friend makes an excellent point. For a lot of our residents, all they care about is the delivery of basic services. They are not necessarily bothered about the political make-up of a council; they just want to get what they are paying for through their council tax.

I come to a clear illustration of where decisions by Bradford Council are not made in tune with local priorities. It was only last week that Labour-run Bradford Council was forced into a screeching U-turn on its decision to close the Keighley tip, a household waste and recycling centre that is heavily utilised by many of my constituents and businesses. Had the council ploughed on with its decision to close the tip, it would have forced residents to take their waste to other sites, causing congestion at busy locations where tips are provided. They might have had to go into the clean air zone tax area to get rid of their waste, so they would have been doubly charged for a very basic level of service. Had it not been for the fantastic local community champions Laura Kelly and Martin Crangle getting together a petition, which received well in excess of 7,300 signatures—a petition that I presented to the House—Labour-run Bradford Council would not have changed its decision and we would now be without a local tip.

**Philip Davies:** I want to follow up on my hon. Friend's point about how much some of the wards in his constituency and mine are billed for council tax, and how little they get back. Not only are they billed for huge amounts of money; they actually pay it. About 99.9% of the council tax asked for in our wards is paid, yet the council tax receipts for Labour wards in Bradford—such as City ward, where the council collects only roughly 60% of the council tax that is billed—are lamentable. Not only are we paying so much more and getting very little back, but we are actually subsidising the lack of collection of council tax in other wards in Bradford.

**Robbie Moore:** My hon. Friend makes a point that I suspect is deeply infuriating not only to my constituents, but to the constituents of many hon. Members of this House. It is about fairness: if an individual is paying council tax or a business is paying business rates, they expect all others to be paying the same contribution for the level of service they receive. That is a big frustration for many of my constituents in Keighley and Ilkley.

The Government have a positive growth agenda and want to drive inward investment into our areas, but it is incredibly frustrating when our local authority is not getting on with the jobs that we want to see delivered. Bradford Council has still not delivered the Silsden to Steeton pedestrian bridge, despite the fact that the money has been allocated by our Conservative Government. Bradford Council has dithered and delayed on the project, and now says it will not be delivered until 2026. This is a project that has continued to cost more and more as Bradford Council dithers and delays.

In the centre of Keighley we have a much-loved green space on North Street. Bradford Council recently decided to ignore a decisive public referendum in which 61% of people voted at polling stations to keep the green space. Again, it was a campaign fought tirelessly by Laura Kelly. Despite the fantastic result, Bradford Council is determined to plough on regardless, in direct contrast to the views clearly expressed by the residents of Keighley.

**Mr Louie French (Old Bexley and Sidcup) (Con):** Does my hon. Friend see similarities between Bradford Council ignoring the wishes of local people in his area, as he has so eloquently explained, and what Labour's Mayor of London, Sadiq Khan, has consistently done in not only increasing his tax share to around 57% since he became Mayor, but in ignoring the wishes of those in outer London, approximately 80% of whom opposed his ultra low emission tax raid, and the wishes of those in the home counties, who had no say whatsoever? That is a clear example of taxation without representation.

**Robbie Moore:** My hon. Friend makes an excellent point. The issue comes down to local voices being heard by those representing them. It is incredibly frustrating to hear that the Mayor of London is not listening to the likes of my hon. Friend's constituents on issues such as the ULEZ tax. That is directly linked to the clean air zone tax that we are having imposed on us by Labour-run Bradford Council across Bradford district. That is having a direct impact on many businesses locally.

**Sir Christopher Chope:** Is this excellent Bill going to be supported by the Government? As my hon. Friend puts his arguments to the Government, I draw his attention to the fact that years ago we persuaded the Conservative Government under Margaret Thatcher to abolish the Greater London Council and the Inner London Education Authority, using the very rationale that he has put forward—namely, that we wanted local people to have control over local education and local services.

**Robbie Moore:** That is exactly what we need to do: make sure that local voices are heard. Smaller unitary authorities, rather than the two-tiered approach, are an excellent way of enabling those in positions of representation to be heard and to get direct responses and services back to their constituents. My hon. Friend makes a very good point.

**Dean Russell:** As was mentioned in the context of the Mayor of London's decision on ULEZ, we live in a democracy. Does my hon. Friend agree that when such decisions affect people who cannot vote against them but whose pockets are affected—it will cost £12.50 to go across the border of the ULEZ extension—that just seems wrong?

**Robbie Moore:** My hon. Friend picks up on a point that I was about to get to. We are experiencing such a situation with the clean air zone tax, which has impacted on my constituents and been imposed on us by Labour-run Bradford Council. It is unfair when a tax is imposed on the hard-working constituents we represent when we do not want that to happen, particularly given the cost of living challenges that all households and families are experiencing.

The Bill enables local representation to be much better felt at a local level. Perhaps I should get on to how its mechanics will operate. A petitioning system will be created to enable local electors within any constituency area to indicate their support for a referendum about the creation of a new local authority. If 10% or more of the people in that area give that support, a vote will be able to be held for the electors of those communities and constituency areas. After a referendum is held, if a



[Robbie Moore]

majority have signalled their support for a new council to better represent them, the mechanics of setting up a new local authority will be triggered.

Of course, as part of the process it would be necessary to present a strong indication that the new and residual local authorities would be organisationally and financially viable and capable of delivering services to local residents. As I have said, I actually think that would work best for the whole of the Bradford district: with two unitary authorities, Bradford city could have its own unitary authority and its residents would be much better served.

**James Daly** (Bury North) (Con): My hon. Friend has made a compelling case in respect of Bradford Council, and all of us who take an interest in these matters know what a dreadful council that is, given how it treats my hon. Friend's constituency. But this problem exists throughout the country. I, the proud MP for Bury North, am originally from Huddersfield. Kirklees Council is split in exactly the same way. Does he agree that the Bill could be amended to allow Bury a referendum to leave the kingdom of Greater Manchester and go back where it belongs—in Lancashire?

**Robbie Moore:** My hon. Friend makes an excellent point. Larger unitary authorities do not always serve us best. I hope that the Bill will make local representation happen.

Hon. Members will see that the theme running through the examples that I have briefly outlined is that if a unitary authority becomes too large, it forgets what is important to local people and cannot deliver on their local priorities. In summary, the Bill would put in place new measures to ensure that local people have a say on who represents them and on the very nature of the council and the geographical area in which services will be delivered. It is only right, if a majority of people in specific constituencies are in favour of forming a new unitary authority, that they have the opportunity to do so. Not only would that benefit constituents in Keighley and Ilkley, and in Shipley, but it would be very much welcomed by other Members in this place.

Some may say that the Bill is divisive, but I say that it is not. It is simply about standing up for the community that I represent and putting in place a plan enabling communities to be better represented at local level, with the sole purpose of delivering local priorities. Unfortunately, that is something that my constituents, under the shackles of Bradford Council, have not benefited from for far too long.

I may refer to it as the Bradford breakaway Bill, but my Local Authority Boundaries (Referendums) Bill provides the mechanics for smaller, nimbler, and more targeted, effective and efficient local authorities to be created, to deliver local services and priorities at speed with a much better sense of public duty to their residents.

2.26 pm

**Sarah Owen** (Luton North) (Lab): In the politest terms, this is a bizarre piece of legislation. We of course share the view that local representation matters. Indeed, when Labour was last in power, we funded local authorities 60% more than the current Government do, precisely because we know the importance of that representation.

It is a shame that the hon. Member for Keighley (Robbie Moore) uses his opportunity to speak in this House about local government by advocating for unneeded changes to boundaries rather than calling for existing councils to be adequately supported. Like all our constituents, his are affected by rising bills, food shortages—unless they are massive fans of turnips—increased rents and unaffordable mortgages. Keighley residents will be struggling with bills, food, rent and mortgages—keeping a roof above their heads—all because of a Tory Government crashing the economy. Yet what we have heard from their MP is a focus on a narrow reorganisation, and we have no idea whether the Treasury would fund it anyway.

The hon. Gentleman mentioned a decline in council services, but like many in this country, councils are labouring under 13 oppressive years of Tory rule and cuts to their budgets.

**Philip Davies:** Will the hon. Lady give way?

**Sarah Owen:** Actually, no—I have only two minutes.

I ask the Minister whether her Conservative colleague is mis-selling the solution when he tells his constituents that the answer to all their woes and daily challenges is to create a unitary authority for their constituency. If things are so bad—they already have a Tory MP and a Tory Government—the possibility of a Tory-run local authority probably is not going to help the situation.

Why does the hon. Member for Keighley believe that a unitary authority would be necessary for such smaller numbers of residents? Where does he propose that the money would come from for a referendum and to implement this administrative and logistical farce? Perhaps the Minister would be able to share her thoughts. The practical implications of enforcing the hon. Member's suggestions would be significant for time and Government resources, all at a time when local authorities are already working with shoestring budgets within the Treasury's ever-tightening grip. Would the move outlined in his Bill even have the backing of his own Treasury?

What is behind the legislation is a lack of ambition for the hon. Member's community and constituents, and for his party to beat the Labour party in Bradford. That is where his efforts should be targeted—winning power through democratic means in his own area—but it seems that he has already given up on that, and wants instead to legislate his way out of a hole. Although his party is not entrusted with leadership in Bradford, he and local colleagues should be working together with the council to deliver for their constituents. That is what we all do in this place. As we mentioned in previous debates on the armed forces, co-ops and flexible working, we were able to find political consensus because we are grown-ups, and that is what decent representatives do.

**Philip Davies:** As we have explained, we cannot win in Bradford because our areas are not big enough and the whole of Bradford is too big. The hon. Lady's comments are very helpful and we will use them extensively in our election literature in the run-up to the local elections. Is she absolutely adamant that the Labour party's official position is that it wants to deny my Shipley constituents, and my hon. Friend's Keighley and Ilkley constituents, the opportunity to decide where their local authority is? Is that her stated position?

**Sarah Owen:** My stated position is that the constituents the hon. Gentleman represents and the constituents we all represent should be able to put food on the table, pay their bills and have their local authorities funded fairly. For the past 13 years, under a Conservative Government, that has failed to happen.

For the avoidance of doubt, may I ask the Minister to write to me—because there will be no time for her to reply now—and tell me whether even the Tory-led Local Government Association—

2.30 pm

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

*Ordered,* That the debate be resumed on Friday 24 March.

## Business without Debate

### BRITISH BROADCASTING CORPORATION (PRIVATISATION) BILL

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

**Hon. Members:** Object.

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

### CLEAN AIR (HUMAN RIGHTS) BILL [LORDS]

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

**Hon. Members:** Object.

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

### WORKING TIME REGULATIONS (AMENDMENT) BILL

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

**Hon. Members:** Object.

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

### CARAVAN SITE LICENSING (EXEMPTIONS OF MOTOR HOMES) BILL

*Resumption of adjourned debate on Question (3 February),* That the Bill be now read a Second time.

**Hon. Members:** Object.

*Debate to be resumed on Friday 12 May.*

### RULE OF LAW (ENFORCEMENT BY PUBLIC AUTHORITIES) BILL

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

**Hon. Members:** Object.

*Bill to be read a Second time on Friday 19 May.*

### BARNETT FORMULA (REPLACEMENT) BILL

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

**Hon. Members:** Object.

*Bill to be read a Second time on Friday 16 June.*

### COVID-19 VACCINE DAMAGE PAYMENTS BILL

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

**Hon. Members:** Object.

*Bill to be read a Second time on Friday 9 June.*

### ILLEGAL IMMIGRATION (OFFENCES) 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 June.*

### COVID-19 VACCINE DIAGNOSIS AND TREATMENT BILL

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

**Hon. Members:** Object.

*Bill to be read a Second time on Friday 30 June.*

### COVID-19 VACCINE DAMAGE BILL

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

**Hon. Members:** Object.

*Bill to be read a Second time on Friday 7 July.*

### SEIZURE OF RUSSIAN STATE ASSETS AND SUPPORT FOR UKRAINE BILL

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

**Hon. Members:** Object.

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

**Sir Chris Bryant** (Rhondda) (Lab): On a point of order, Mr Deputy Speaker. I am genuinely astounded by the way in which the Government have responded in calling down my Bill. To be frank, I am not just astounded; I am furious about it. But just in case the Russian Federation were to think it means that this House, this Parliament or this country is wavering in its determination to see Russia fail in its illegal war, or just in case Putin thinks that it signals a lack of determination on the part of the House or the country to make Russia pay for the rebuilding of Ukraine, is it in order for me to assert that we are all on the same side in this House in relation to this war, that I shall continue to press this matter, and that I do not doubt for a single instant that the Government will end up introducing something very similar very soon?

**Sir Christopher Chope** (Christchurch) (Con): Further to that point of order, Mr Deputy Speaker. I do not think I have ever heard such an inappropriate comment from a senior Member of this House. He knows jolly

[*Sir Christopher Chope*]

well what the rules are. He only printed his Bill on Thursday, there are no explanatory notes in relation to it, and he is expecting his Bill to take priority over all the other Bills just because he thinks a lot of himself and he thinks he has a good cause. Lots of us have good causes, but we do not argue the toss with the rules.

**Mr Deputy Speaker (Mr Nigel Evans):** We are not going to allow further debate on this particular matter; the fact is that both points of order now stand on the record. We are going to move on to another point of order on a separate issue.

**Elliot Colburn (Carshalton and Wallington) (Con):** On a point of order, Mr Deputy Speaker. I rise with regret in respect of not one, but three occasions I have recently been made aware of where a Liberal Democrat MP has visited my constituency in their capacity as an MP, without giving me prior notice. I have notified them of my intention to make this point of order. The right hon. Member for Kingston and Surbiton (Ed Davey) visited on 19 March 2022, the hon. Member for Richmond Park (Sarah Olney) on 10 November 2022 and the hon. Member for Westmorland and Lonsdale (Tim Farron) on 22 February 2023, without informing me. Having informed them of my intention to raise this point of order, I have received apologies and explanations from them, but I hope the Chair will understand my concern that, while once may have been an error, three times seems potentially deliberate. May I ask your guidance, Mr Deputy Speaker, on whether it is still considered common courtesy to inform colleagues before visiting their constituencies, and how I can seek to ensure that this does not happen again?

**Mr Deputy Speaker (Mr Nigel Evans):** I thank the hon. Gentleman for his point of order and for giving notice of it. He is absolutely right: it is still common courtesy that if any Member of this House is visiting another Member's constituency on a political matter, each and every Member should make sure that the sitting Member is notified of the visit. I am sure the hon. Gentleman has a lot of great restaurants that people visit on a social basis, and people may visit relatives who live there, but this relates to political matters. I will make sure that the Liberal Democrat Chief Whip is given notice of that particular custom of the House. I thank the hon. Gentleman for his point of order.

## New Hospital Programme

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

2.36 pm

**Elliot Colburn (Carshalton and Wallington) (Con):** I begin by thanking you, Mr Deputy Speaker, and the Speaker's Office for granting me this Adjournment debate. I give particular thanks to the Minister for responding to today's debate. I understand that his Department is incredibly busy at the moment and is in the grip of very tough negotiations, so I appreciate his taking the time to come to the Chamber today to talk about this topic, which affects so many, not only in my constituency, but around the country.

In the 2019 Conservative and Unionist party election manifesto, one of the key pillars of our plan for the nation was to deliver 40 new hospitals by 2030. That truly remarkable investment in buildings and equipment across the NHS would ensure that our world-class healthcare system and staff have the facilities they need for the future. Later, in October 2020, the then Prime Minister levelled up the pledge, with a further eight schemes invited to bid for future funding, taking the total number to 48—the biggest hospital building programme in a generation.

There are four set cohorts within the new hospital programme, each of which includes a wide variety of schemes: in flight, early small schemes, pathfinder and full adopter. The new hospital programme has now met some major milestones: the first of the full 48 hospitals, the Northern Centre for Cancer Care, has been completed, and six further hospitals are under construction.

**Dean Russell (Watford) (Con):** My hon. Friend will no doubt be speaking about his constituency, but I would like to thank the Minister for recently visiting Watford General Hospital and seeing the challenges we face and the fantastic staff we have there. Does my hon. Friend agree that making sure Watford General has the best world-class facilities is paramount, not just for the patients, who deserve it, but for the staff and the local community across the whole of west Hertfordshire?

**Elliot Colburn:** I am grateful to my hon. Friend for that intervention. He is a fantastic champion for Watford—indeed, I see him here far too often talking about issues to do with Watford—and he has once again demonstrated why his community are lucky to have him as their local Member of Parliament.

Healthcare improvement in Carshalton and Wallington was a key pillar of my personal pledge to constituents at the last general election, which was to protect our local hospital, St Helier, and build a brand-new, state-of-the-art hospital in the borough. I am incredibly grateful and proud that as part of the new hospital programme, the Government have committed the funding to do just that: to create a purpose-built major specialist emergency care hospital in the London Borough of Sutton and to transform Epsom and St Helier hospitals, ensuring that local people can access the care that they need, from life-saving emergency care to out-patient appointments. Despite the scaremongering by Labour and the Liberal Democrats over many years, it is a Conservative



Government who are delivering the biggest investment in healthcare in south-west London and the Surrey region in a generation.

When I delivered my maiden speech in this House, I made it clear that healthcare was the single greatest issue affecting my constituents and the single greatest opportunity to improve Carshalton and Wallington. It remains the greatest issue today, along with tackling the cost of living, and St Helier is one of the many recurring topics under my name in *Hansard*. I am grateful to the Minister and his Department for working so closely with me on the issue in recent years. I assure him that the sooner the new hospital is built and upgrades are made to St Helier, the sooner I will stop banging on about it; I give the Speaker's Office the same assurance.

Let me set out the background. St Helier Hospital predates the NHS. It was first commissioned in 1934 and became operational in the early 1940s, during the second world war. At the time, it was considered a state-of-the-art, modern design; I believe it was the largest hospital of its type anywhere in the country. It was damaged by a bomb in an air raid less than a month after its completion, and by two flying bombs later in the war, but it remained open and operational. It showed the same resilience throughout the pandemic.

Like many people in Carshalton and Wallington, I and many members of my family were born in St Helier. I owe the hospital so much, not just for bringing me, my family and my constituents into the world, but for saving my constituents' lives, my loved ones' lives and, not that long ago, my own life. St Helier has served our community for generations, but we are now in desperate need of an upgrade to provide healthcare fit for the 21st century. That is why the announcement of the new hospital and the improvements at St Helier was so welcome.

There has been a lot of scaremongering about St Helier in the past, as I am sure the Minister is aware, so I want to do some fact checking. The new hospital in the London Borough of Sutton will provide major services, including accident and emergency, critical care, acute medicine, emergency surgery, in-patient paediatrics and maternity services, particularly births. The plans will also involve at least—I stress “at least”—£80 million being spent across Epsom and St Helier hospitals to deliver essential repairs and refurbishments and to enable them to focus on delivering excellent elective care. That will enable the sickest patients to get a fast diagnosis and start treatment more quickly to speed up recovery, with bigger teams of expert staff at the specialist emergency care hospital. Some 85% of patients will continue to be treated at Epsom and St Helier, and there will be urgent treatment centres across all three sites. Under the plan, the refurbished St Helier Hospital will be here to stay, providing the majority of local health services, and the sickest patients will get state-of-the-art treatment in the brand-new specialist emergency hospital in our borough.

It is important to stress that unlike previous reorganisations, including the reorganisation planned by the last Labour Government, this is not a Government-led scheme. The NHS has come up with a plan and has told the Government what is needed to improve the delivery of healthcare in south-west London and Surrey. I am pleased to say that the Government have listened and have allowed the NHS to get on with it.

The initial plan was that the new hospital would open in 2025, but for multiple reasons—the covid-19 pandemic was obviously the biggest reason, but another was the attempt by some Opposition parties to block the investment from reaching my constituency in the first place—the opening has inevitably been delayed. Although the headline news is still very positive for our area, with the Government spending hundreds of millions to improve local healthcare, the delays are causing a number of complications that need to be addressed.

As I am sure the Minister is aware—I am sure this is the case across many hospitals in the UK—Epsom and St Helier have had a particularly challenging winter, made even more difficult by the old, tired estate. Patients are being cared for in near-impossible conditions: wards are flooding, roofs are leaking and heating failures are causing cold temperatures. Epsom and St Helier University Hospitals NHS Trust has already spent vast amounts of money trying to maintain its old buildings, and its backlog of maintenance costs is awful—well over £100 million. There is also the expense of duplicating services across the two hospitals.

We are now in the position that 98% of the St Helier estate is considered to be in a poor or bad condition, so we desperately need more up-front funding so that the trust can submit a planning application and start building work on the new hospital and the renovation works at St Helier much quicker. I would appreciate the Government's comment on that. Every day that the decision is delayed makes the maintenance bill more expensive, and that money has to come from somewhere. I know the Minister is aware of the shocking report by ITV News, which aired on Monday night, that showed the appalling state of some parts of St Helier Hospital. I walked around the estate recently with the chief executive to see that for myself.

These issues are not new—they are exactly the reason that the Government are funding the new hospital programme—but their impact only grows with each day that the new hospital project cannot get off the ground. I will not go into explicit detail, but I do not think it is too melodramatic to say that the hospital is nearing its breaking point. The trust has had to move one ward out of a 20-year-old temporary building because the foundations were sinking. Earlier in the winter, it had to vacate parts of the hospital due to flooding, and there are regularly buckets in the corridor. Last summer, to cope with the stifling weather and temperatures stubbornly above 35°C, the trust did everything it could with portable fans, but those are not sustainable conditions, and patients and staff should not have to tolerate them.

The trust does not have enough bed space to meet infection, prevention and control standards, and that was further compounded by the pandemic. Even before the pandemic, it was not uncommon for patients to be transported across the site by ambulance because the lifts are so old that they do not fit modern medical beds—they are also more likely than not to be out of order. Only a quarter of in-patient beds are in single rooms, only half of which have en suite bathrooms, and only a third of which meet the current bed spacing standards. Patients deserve a better standard of care. The trust's new model of care, with modern healthcare facilities as part of the new hospital programme, will reduce length of stay, increase the quality of care and improve outcomes.

[*Elliot Colburn*]

Duplicate services are currently being run across two sites, which means that the workforce is over-stretched. Continuing to run duplicate services for longer is making nurse and medical rotas hard to fill and clinical guidance on nursing and consultant levels hard to achieve. For example, the trust struggles to meet the consultant workforce standards to have 24/7 consultant cover on both sites. It has vacant consultant posts and gaps in the staff rota, which reduce the quality of care and create financial pressures. It has a shortage of doctors and nurses, so it must train or employ temporary staff to fill the gaps in the rota. Running duplicate services is also very expensive due to the higher cost of using temporary clinical staff to cover vacancies and gaps in staff rotas. It increases the cost of maintaining hospital buildings and reduces the opportunity to make savings.

Everyone who works at Epsom and St Helier hospitals does an absolutely fabulous job. They contribute every single day to delivering safe and effective care, despite the huge challenges with the estate. As a former NHS worker in south-west London, I want to thank them for all the amazing work they do. I know from working in the NHS previously that there was not such a thing as a quiet day in the NHS even before the pandemic, and I know the pressures they are up against at the moment. The new hospital programme and the new model of healthcare that goes along with it need to be delivered, because they will address the staffing issues. A new hospital is so much more than just new buildings.

Building the new hospital in Sutton and improving St Helier is more important than ever because of the learning from covid-19. It will allow us to increase infection prevention and control with more patient bathrooms, single rooms with en suite facilities, and beds spaced further apart; to provide more flexibility to increase critical care capability; and to continue to deliver non-emergency services and treatments at the refurbished sites.

Unfortunately, the best case scenario under the delayed timeline is that the new hospital will open in 2027 or 2028. I appreciate that that still falls within the Government's pledge of 40 new hospitals by 2030 and, again, the overall headline message is still positive: the Government are delivering the greatest transformation of our local healthcare in almost a century. I have lived in Carshalton and Wallington for my whole life and I cannot count the number of years that we have had campaigns to save St Helier, because the future of our local hospital has been in question. Thanks to the investment that the Government have committed, we know that the hospital is here to stay, which is welcome news. We now need movement to address the issues at St Helier and to get on and build the second hospital.

I have been working closely with people in our NHS trust since I was elected in 2019. I know that they are wholly committed to delivering on the upgrades to St Helier and to building a new hospital, and I appreciate all the work that they have done on it. I know that they would love to invite the Minister and the Secretary of State to come to St Helier Hospital to see the current situation first hand.

I will briefly outline where the business case is at the moment, because that is where there is delay. We need to get the business case for the new hospital and the

upgrades signed off as a priority to ensure that the necessary funding is allocated to get the ball rolling on the planning application and to start work on some of the vital issues at St Helier. I appreciate that other projects across the country, as part of the new hospital programme, are also in need of expediting—not to mention the trusts that are having to work around old concrete structures, the severe state of which I do not believe the Department of Health and Social Care could have imagined prior to the programme's launch.

I understand that more than £20 million has already been spent in Sutton alone, but I say again that with every day that goes by, the costs will only rise. It is in the Treasury's best interest to ensure that we expedite this project and allow the trust to get on with doing what it knows it wants to do—refurbishing St Helier and building a new hospital in Sutton.

Ultimately, however, the priority must be patient safety and patient outcomes. For NHS trusts such as Epsom and St Helier where we are seeing unexpected delays to new hospitals, there needs to be greater consideration of how we can mitigate the impact on patients. I would appreciate it if the Minister elaborated on what steps the Department is taking to ensure that St Helier and other older hospitals being improved as part of the programme are receiving the support that they need to operate safely until the new hospitals are open—and, indeed, beyond.

I appreciate and agree that the new hospital programme is an extraordinary initiative and undertaking by the Government to improve the healthcare that we receive. It is absolutely right that the programme exists and I am incredibly proud of it. I am also incredibly proud that Carshalton and Wallington patients will be some of the first to benefit from having a new state-of-the-art hospital working inside our much-loved local St Helier Hospital, which is now safe for the future. It will provide all the services that the trust currently provides and more, and it will work in partnership with other hospitals such as the Royal Marsden Hospital so that, for example, cancer patients in Carshalton and Wallington no longer have to travel to the Chelsea site but can access cancer surgery in my constituency.

The fact that we are falling short with timelines, however, is causing unexpected problems and is having an impact on patient safety. I hope that the Minister can reassure residents in Carshalton and Wallington that the new hospital is on the way, that steps are being taken to tackle the maintenance issues at St Helier, and that patients can expect to continue to have world-class healthcare on their doorstep for many years to come.

2.54 pm

**The Minister for Health and Secondary Care (Will Quince):** I congratulate my hon. Friend the Member for Carshalton and Wallington (Elliot Colburn) on securing the debate. He campaigns tirelessly for his constituents, and I know he recently met Lord Markham to discuss plans for the new hospital scheme. Although responsibility for this area sits with our Minister in the Lords, I am happy to respond to some of the points he has raised today.

We are working closely with Epsom and St Helier University Hospitals NHS Trust on its plans for a new specialist emergency care hospital in Sutton, with general

acute services to remain at the current Epsom and St Helier hospitals. All schemes within the programme have been grouped into cohorts on the basis of readiness to progress and the extent to which the schemes can realise the benefits of the national programme approach.

Epsom and St Helier is a cohort 3 pathfinder scheme, as my hon. Friend said. This means it will be one of the first of the larger and more complex schemes to be taken forward, in line with the national programme approach. The trust is currently at outline business case stage, and we are working closely with it to incorporate the national standardised approach.

We have always been clear that, after entering the new hospital programme in 2020, any planned timescales for delivery will change to align with the national programme approach. As my hon. Friend said, the trust has received £20.5 million in public dividends to date to progress its scheme. This includes fees for design work and a contribution towards the cost of a new electronic patient record system. Further allocations for the scheme, including the total individual allocation, will be decided through the proper business case process. This will ensure deliverability, alignment with the national programme standards and, of course, value for money.

The programme has developed an integrated systems approach known as “hospital 2.0”, which spans the whole hospital lifecycle from business case and design through to construction, commissioning and handover. Hospital 2.0 is the vehicle through which the national programme approach can ensure we get the maximum value for taxpayers’ money and deliver more efficient designs. Our hospital 2.0 process will drive efficiencies by up to 25% compared with traditional methods of delivering infrastructure.

Lord Markham recently visited the manufacturing technology centre in Coventry, where he saw at first hand how this work is advancing. This includes prototypes of the standardised hospital rooms that will be part of the designs for the new hospital scheme. The Department is planning a range of events, communication pieces and milestone moments to show the progress being made on delivering these new hospitals. This will, of course, include a parliamentary event in the coming weeks to demonstrate what these new hospitals will look like, including standardised rooms, as well as roadshows at each of the new hospital locations. I hope my hon. Friend will be able to attend.

Lord Markham, our Lords Minister, has also agreed to visit the hospital when his diary allows—I can certainly agree to that request—to see at first hand how the new

hospital scheme will benefit the staff and patients of Epsom and St Helier University Hospitals NHS Trust.

My hon. Friend asked about maintenance, and we certainly recognise that backlog maintenance can pose challenges to the efficiency, safety and quality of NHS services. Although individual NHS organisations are legally responsible for maintaining their estates, the Government have been clear that they expect NHS organisations to use existing capital budgets and assets to maximum effect. I am pleased to see that the level of backlog maintenance in the trust has decreased every year since 2016-17.

At the spending review we backed the NHS with substantial operational capital investment for trusts to prioritise and deliver locally to maintain and refurbish their premises. The Government are investing record sums to upgrade and modernise NHS buildings so that staff have the facilities needed to provide world-class care for patients, including £4.2 billion this year and £8.4 billion over the next two years.

While this major scheme got under way over the 2020-21 and 2021-22 period, we supported Epsom and St Helier University Hospitals NHS Trust with other capital investment, including £6.1 million to expand the emergency department and the same-day emergency care unit at St Helier Hospital, and to extend waiting room space and mental health cubicles at Epsom Hospital. We have invested £11.6 million to eradicate backlog maintenance across the trust’s estate.

The new hospital programme has been undertaking ambitious work. Two hospitals, the Northern Centre for Cancer Care and the Royal Liverpool Hospital, are now open to patients. Five schemes are in construction, with one due to complete shortly, and 22 schemes have received either full or outline permission, which is a vital step on the road to delivery. This programme will deliver facilities that are at the cutting edge of modern technology and will engage with clinical staff to ensure that we are providing them with a better working environment, enabling increased efficiency, promoting staff wellbeing and, importantly, improving staff retention.

Again, I thank my hon. Friend for his continued engagement on the new hospital scheme. I appreciate and recognise how tirelessly he campaigns for his constituents, and I assure him that we are committed to the delivery of a new hospital for Epsom and St Helier University Hospitals NHS Trust.

*Question put and agreed to.*

3 pm

*House adjourned.*





# Written Statements

*Friday 24 February 2023*

## **BUSINESS AND TRADE**

### **Energy-intensive Industries Electricity Support Package**

**The Secretary of State for Business and Trade (Kemi Badenoch):** Yesterday the Government brought forward a package of measures to address energy costs for our most energy-intensive industries, which include companies in important strategic sectors that attract significant investment into Great Britain such as steel, chemicals production and other foundational manufacturing.

The current cost differential in electricity between Britain and comparable neighbouring countries means businesses in these sectors based in the UK are finding it harder to remain competitive. The April 2022 British energy security strategy committed to address the issue

of high prices. We are delivering on this commitment with a package of support to keep British industry competitive, protect jobs across the country and incentivise large manufacturers to stay and scale up their businesses in Great Britain. The measures will help attract and sustain investment, particularly for nascent, internationally mobile sectors such as gigafactories, for which high energy costs are regularly cited as a critical factor in decision making for inward investment.

The Government have identified three key features of the domestic energy system which together contribute to higher costs than comparable countries and which we now intend to address via the following package of measures:

- a. An increase from 85% to 100% relief from the costs of the renewable levies
- b. 100% exemption from capacity market charges
- c. Relief from eligible network charging costs

We will consult in spring 2023 to gather feedback from industry on how best to deliver capacity market and network charging changes.

[HCWS581]

# WRITTEN STATEMENTS

Friday 24 February 2023

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