



PO - CH / NL / 0373
PART A

Part A.

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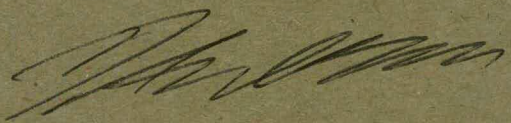
Begins : 21/7/88.
Ends : 16/2/89.


PO -CH /NL/0373

PART A

Chancellor's (Lawson) papers:

THE HOUSING AND LOCAL
GOVERNMENT BILL 1988 -
1989

DD's : 25 Years



6/12/95.

PO -CH /NL/0373
PART A



2 MARSHAM STREET

LONDON SW1P 3EB

01-212 3434

My ref:

Your ref:

MP

The Rt Hon John Wakeham MP
Lord President of the Council
Privy Council Office
68 Whitehall
LONDON
SW1

~~EXCHEQUER
21 JUL 1988
CST~~

CHIEF SECRETARY	
REC.	22 JUL 1988
ACTION	Mr S. Wood
COPIES TO	Cx Sir Philip De la
	Mr Anderson, Mr Phillips
	Mr Edwards, Miss Hanson
	Mr Potter, Mr Peterson, Mr Call

21 July 1988

Dear Lord President

At our meeting on 19 July to discuss next Session's Housing and Local Government Bill, I agreed to go through the proposals for the Bill to check which provisions were absolutely essential. This I have now done.

On the Local Government side, we must include provisions to introduce the new system of controls over local authority borrowing and capital expenditure to link in with the rest of the new financial regime; to tighten controls over local authority companies (which are vital to stop loopholes in the new capital system); and to implement the main changes necessary to local authority administration following the Widdicombe report, which our backbenchers have been awaiting for some time now and which need to be in place before the 1990 local elections in London. In addition three other items are essential - amendments to the current Local Government Finance Bill which time did not allow us to make; a power to give grants to local authorities for emergency expenditure; and a power to capitalise specific Exchequer grants to local authorities paid annually on loan charges. I was hoping to include the other issues arising out of Widdicombe but I am prepared to put these aside for the present - although of course there may be pressure from colleagues to include them later. (Kenneth Baker is anxious, as I am, to proceed with measures to publicise auditors' reports and to require certain core standing orders.)

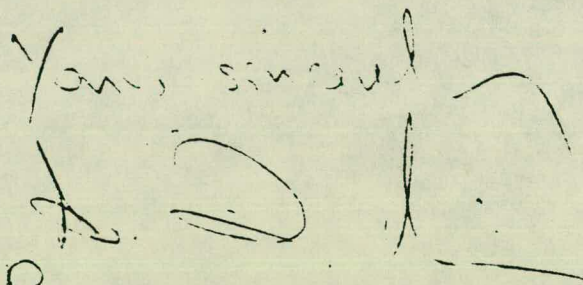
I am also prepared not to proceed with a number of other highly desirable or long overdue local government items. In particular, we had envisaged including an item on local authority fees and charges that has been postponed from this Session's Local Government Finance Bill. This would enable Ministers to extend the use of fees and charges for local authority services by order. 3 clauses on this are already substantially drafted, but I should be prepared to drop this item if that would help.



On housing, the essential items are the provisions reforming local authority housing accounts (which is another part of the new financial regime and on which we shall be going out to consultation next week) and the reform of the system of home improvement grants, which was held over from this Session and is essential if we are to achieve better targeting of resources. We also need to include hopefully brief provisions relating to the transfer of new town houses, abolition of the Homeloan scheme, legislative cover for financial support to the British Board of Agreement and to non profit making bodies in the construction industry, and perhaps one or two items which the scope of this year's Housing Bill prevents us tackling. I am prepared to hold back proposals relating to houses in multiple occupation, other new town provisions, housing defects and a number of other minor items.

Officials here estimate that the effect of this would be to reduce the likely size of the Bill from over 200 clauses to something nearer 120 - although of course until Parliamentary Counsel has had a chance to consider the Instructions this can only be very approximate. As you suggest Michael Ware will be in touch with Counsel shortly to discuss when Instructions on the particular elements are likely to be ready and how best we can now make progress.

I am copying this letter to Nigel Lawson, Kenneth Baker, Malcolm Rifkind and Peter Walker.

Yours sincerely

PP

NICHOLAS RIDLEY

(Approved by the Secretary of State
and signed in his absence)

UNCLASSIFIED

FROM: S N WOOD
DATE: 25 July 1988

CHIEF SECRETARY

cc Chancellor Rm 12/2
Sir P Middleton
Mr Anson
Mr Phillips
Mr Edwards
Miss Peirson
Mr Potter o/r
Mr Betenson
Mr Fellgett
Mr Laite
Mr Call

HOUSING AND LOCAL GOVERNMENT BILL

The Environment Secretary wrote to the Lord President on 21 July, with proposals for reducing the length of the above Bill which is part of the programme for the next Session.

2. Mr Ridley's proposals generally give us no difficulty, with one exception explained below. He is retaining as essential the following items:-

- (i) controls over local authority borrowing and capital expenditure;
- (ii) tighter controls over local authority companies;
- (iii) the main changes recommended by Widdicombe;
- (iv) items dropped from the Local Government Finance Bill for lack of time;
- (v) a power to give grants to local authorities for emergency expenditure;
- (vi) a power to capitalise specific Exchequer grants now paid annually on loan charges;
- (vii) reform of housing revenue accounts; and

(viii) reform of home improvement grants.

3. Mr Ridley also proposes to include provisions relating to the transfer of New Town houses, abolition of the Homeloan scheme, legislative cover for financial support to the British Board of Agreement and to non profit-making bodies in the construction industry.

4. However, he is offering to drop clauses which would enable Ministers to extend the use of fees and charges for local authority services by order. These are already largely drafted. The background is that E(LF) agreed in February 1987 that an enabling power should be created to allow Ministers to introduce secondary legislation giving local authorities powers to charge for more services. The primary legislation was to list areas in which charging could not be introduced: basic education, policing, firefighting and the registration of electors.

5. The necessary legislation was to have been included in the Local Government Finance Bill introducing the Community Charge. However, to avoid overburdening that Bill Ministers agreed in March that the clauses on fees and charges should be dropped and included in next Session's Housing and Local Government Bill.

6. The three clauses necessary to introduce the enabling power to make orders are already substantially drafted and we do not consider that they will be particularly controversial. Probably the most controversial area where the new powers are planned is the charging for schools' extra-curricular activities. But the necessary legislation for this has been introduced by Mr Baker in the Education Reform Bill. There are a further 26 extensions to specific powers to charge planned (list at Annex A). We believe that this power could raise local authority revenue by over £50 million. It would be unfortunate to postpone the introduction of the necessary legislation once again.

7. We recommend that you write to the Lord President, with a copy to Mr Ridley, in support of retention of these clauses in the Bill. A draft letter is attached.

Sw.

S N WOOD

Specific Powers to Charge - Extensions

(a) MAFF

- (i) Inspection of imported meat and meat products.

(b) Environment

- (i) Consent for the operation of an offensive trade
- (ii) Approval to height of a chimney serving a non-combustion process
- (iii) Approval to height of a chimney serving a combustion process
- (iv) Approval to grit and dust arrestment plant
- (v) Exemption of furnaces from requirement to fit grit and dust arrestment plant
- (vi) Waste disposal site licences
- (vii) Caravan site licences
- (viii) Public path orders
- (ix) Certificate of fitness for human habitation
- (x) Copy of register of common lodging houses

(c) DHSS

- (i) Registration of residential care homes
- (ii) Client access to non-computerised personal information

(d) OPCS

- (i) Facilities at weddings

(e) Home Office

- (i) Public entertainment licences (private members' clubs)
- (ii) Licensing of sex shops, sex cinemas and sex encounter establishments
- (iii) Cinema licences
- (iv) Theatre Licences
- (v) Fire certificates

DTI

- (i) Certification of weighbridge keepers
- (ii) Reference tests on pre-packaged goods

(g) Transport

- (i) Scaffolding licences and skip permits
- (ii) Issuing certificate that a way property dedicated by a person is a highway maintainable at public expense
- (iii) Temporary traffic orders made at the request of another body

(h) Education

- (i) Extra curricular school activities

(i) Scotland

- (i) Admission to LA museums and galleries
- (ii) Registration and re-registration of certain residential and other establishments.

DRAFT LETTER FROM THE CHIEF SECRETARY TO:

The Rt Hon John Wakeham MP
Lord President of the Council
Privy Council Office
Whitehall
LONDON SW1A 2AT

Nicholas Ridley sent me a copy of his letter of 21 July to you, setting out his judgement of ways in which the Housing and Local Government Bill planned for next Session could be shortened.

2. I am content with Nicholas' proposals, with one exception. That is his offer to drop the clauses conferring power to extend the use of fees and charges for local authority services by order. You will recall that these were dropped from last year's Bill, and I should be most reluctant to see them postponed again. The potential receipts at stake are significant, and the introduction of charging would foster a better use of resources in a number of areas. As Nicholas points out, the clauses are already substantially drafted. I would therefore hope very much you would not press Nicholas to drop them from next year's Bill.

3. I am copying this letter to Nicholas Ridley, Kenneth Baker, Malcolm Rifkind and Peter Walker.

JOHN MAJOR



2-
cc:
Chancellor
Sir Peter Middleton
Mr Anson
Mr H Phillips
Mr A J C Edwards
Miss Peirson
Mr Potter
Mr Betenson
Mr Fellgett
Mr S N Wood
Mr Laite
Mr Call

Treasury Chambers, Parliament Street, SW1P

The Rt Hon John Wakeham MP
Lord President of the Council
Privy Council Office
Whitehall
London
SW1A 2AT

26th July 1988

Dear John,

HOUSING AND LOCAL GOVERNMENT BILL

Nicholas Ridley sent me a copy of his letter of 21 July to you, setting out his judgement of ways in which the Housing and Local Government Bill planned for next Session could be shortened.

I am content with Nicholas' proposals, with one exception. That is his offer to drop the clauses conferring power to extend the use of fees and charges for local authority services by order. You will recall that these were dropped from last year's Bill, and I should be most reluctant to see them postponed again. The potential receipts at stake are significant, and the introduction of charging would foster a better use of resources in a number of areas. As Nicholas points out, the clauses are already substantially drafted. I would therefore hope very much you would not press Nicholas to drop them from next year's Bill.

I am copying this letter to Nicholas Ridley, Kenneth Baker, Malcolm Rifkind and Peter Walker.

*Yours Ever,
John*

JOHN MAJOR



PRIVY COUNCIL OFFICE
WHITEHALL, LONDON SW1A 2AT

CH/EXCHEQUER	
REC.	27 JUL 1988
ACTION	FST
COPIES TO	

26 July 1988

*Urgent advice over:
Aspects of this Bill
are vital to HMG
interests.*

Dear Nick

LEGISLATIVE PROGRAMME 1988/89: HOUSING AND LOCAL GOVERNMENT BILL

Thank you for your letter of 21 July.

I am most grateful to you for your assistance in paring down next Session's Housing and Local Government Bill to the items you regard as essential. I note that your officials reckon that this would reduce the likely size of the Bill from over 200 clauses to around 120 clauses though, as you say, it is impossible to be precise at this stage.

The Housing and Local Government Bill presents a particular problem for the Business Managers because it is already accepted that it will not be ready for introduction until the New Year. It is clear to me that, in view of the very heavy pressures on next Session's programme, the Bill must be introduced no later than the end of January and that a Bill starting as late as that would not be manageable if it were any larger than about 120 clauses or 90 pages of print. If there were any prospect of it being significantly larger than that, we would have to review its place in the programme.

I am therefore writing to seek your agreement that the Bill must be restricted to what can be introduced by the end of January, with any material which is not ready by that date being omitted, and that the Bill should be restricted to the size I have indicated. If you are able to agree to this - and I believe it is the only viable option - I should be grateful if you and Nigel Lawson could agree the priority to be attached to the various elements of the Bill and if you could advise the draftsman accordingly.

I am copying this letter to the Prime Minister, Nigel Lawson, John Belstead, David Waddington and Sir Robin Butler.

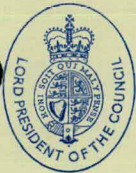
John Wakeham
John

JOHN WAKEHAM

*Urgent advice
action FST?*

*before we advise you
Mr. Pollock wrote on 21/7
please advise when you can
Annals...
multiple of 122
And why not?*

Rt Hon Nicholas Ridley AMICE MP
Secretary of State for the Environment



CH/EXCHEQUER	
REC.	27 JUL 1988
ACTION	FST
COPIES TO	

27/7

PRIVY COUNCIL OFFICE
WHITEHALL, LONDON SW1A 2AT

26 July 1988

Dear Nigel

*Ch. NB also letter behind.
What when I am much more confident.*

LEGISLATIVE PROGRAMME 1988/89: HOUSING (SCOTLAND) BILL

In drawing up the provisional programme for next Session QL indicated to Malcolm Rifkind that it was prepared to agree to the inclusion of three main Scottish Bills only on the strict understanding that one of them would start in the Lords. It was always clear that the Housing (Scotland) Bill would need to begin in the Commons because it would be following the England and Wales Bill in that House; and the Transport (Scotland) Bill is probably unsuitable for starting in the Lords since it is a privatisation measure. That leaves the Education (Scotland) Bill, but the changes to that Bill now being discussed in E(EP) will, in Malcolm's view, probably make that Bill rather too controversial for introduction in the Lords. Additionally, it is now clear that Nicholas Ridley's Housing and Local Government Bill will be a late starter next session, and a Scottish Bill following in its wake would be very late indeed.

In all these circumstances Malcolm Rifkind has proposed that the Housing (Scotland) Bill should be dropped from next Session's programme and I am writing to seek your views before a final decision is taken.

As you will recall, the Cabinet recognised in approving the provisional programme that it was at the limits of what could be managed. Since that time, there have been some further changes, the overall effect of which has been to increase the weight of the programme. The deletion of the Housing (Scotland) Bill would certainly be one way of lightening some of this increased pressure and would accordingly be welcome to the Business Managers. From our perspective, the essential point is that we cannot possibly have three main Scottish Bills starting in the Commons.

I should be grateful if you would let me know whether, in the circumstances, you would be content for the Housing (Scotland) Bill to be dropped from next Session's programme.

I am copying this letter to the Prime Minister, Malcolm Rifkind, Nicholas Ridley, John Belstead, David Waddington and Sir Robin Butler.

JOHN WAKEHAM

Rt Hon Nigel Lawson MP
Chancellor of the Exchequer



2 MARSHAM STREET
LONDON SW1P 3EB
01-212 3434

mp

My ref
Your ref:

LORD PRESIDENT
OF THE COUNCIL
RECEIVED
3-AUG 1988

14

The Rt Hon John Wakeham MP
Lord President of the Council
Privy Council Office
Whitehall
LONDON
SW1A 2AT

CH/EXCHEQUER	
REC.	10 AUG 1988
ACTION	CST
COPIES TO	

3 August 1988

✓ 10/8

Dear Lord President

LEGISLATIVE PROGRAMME 1988/89: HOUSING AND LOCAL GOVERNMENT BILL

Thank you for your letter of 26 July.

I do not find the situation very happy in relation to this Bill. The only reason why you have pressed me to leave out some of the important matters planned to go in this Bill is that there is not the capacity to draft it in time. Most of the instructions can be sent to the draftsman this month and the remainder in September. The proposition that the Government's programme should be reduced or postponed for no other reason than shortage of draftsmen is not a reasonable one, and I trust that they will now be able to produce draft Clauses quickly in response to the Instructions being sent to them.

It is clearly much more sensible to include as much as possible in the Bill. One long Bill takes far much less Parliamentary time than three short Bills. A certain tedium sets in, both at Committee and on Report, when Clause 80 and Schedule 10 are reached: in a separate Bill they would attract much more interest. I therefore believe we should make this a Bill which includes all the vital matters for next Session, and indeed the purpose of my letter of 21 July was to identify just those items. I am glad you recognise the very real sacrifices I have been prepared to make in bringing the size of the Bill down from over 200 clauses to something nearer 120.

Much of the Bill, (but not all), is vital for the introduction of the new system of local authority finance which is to start in April 1990. This is the last chance to enact it in time. I also think you will find that colleagues are unhappy at dropping even what I offered to drop in my letter of 21 July. You will have seen John Major's letter of 26 July about fees and charges. I expect other colleagues to comment similarly - for example you will have seen Kenneth Baker's letter of 28 July.

For years we have been constrained by the limitation of what Parliamentary Counsel can produce. Such a restriction of supply we would not tolerate in any other profession or industry. The demand is certainly there!

I am copying this letter to the Prime Minister, John Belstead, Kenneth Baker, Malcolm Rifkind, Peter Walker, John Major, David Waddington and Sir Robin Butler.

Yours sincerely,

NR

ff NICHOLAS RIDLEY

(approved by the Secretary of State
and signed in his absence).

CONFIDENTIAL

FROM: S N WOOD
DATE: 4 August 1988

CHANCELLOR

cc PS/CST
PS/PMG
PS/FST
PS/EST
Sir P Middleton
Mr Anson
Mr Monck
Mr Phillips
Mrs Case
Mr Edwards
Mr Moore
Miss Peirson
Mrs Brown
Mr Farthing
Mr Potter o/r
Mr Fellgett
Dr Laite
Mr MacPherson
Miss Haskins
Mr Call

Ch.
Content to write as proposed?
OK

LEGISLATIVE PROGRAMME 1988/89

This submission deals with the Lord President's letter of 26 July to you about the Housing (Scotland) Bill, and with the exchange between the Lord President and Mr Ridley of 26 July and 3 August on the Housing and Local Government Bill, both of which were included in the Legislative Programme agreed by Cabinet for the 1988/89 Session.

Housing (Scotland) Bill

2. Mr Wakeham's letter of 26 July records that Mr Rifkind has concluded that none of his three Bills in the agreed programme would be suitable to start in the Lords. Yet QL agreed a maximum of two Scottish Bills could start in the Commons. Having viewed the Education (Scotland), Transport (Scotland) and Housing (Scotland) Bills, Mr Rifkind has proposed that the latter should be dropped from the programme. Mr Wakeham seeks your agreement.

3. The Housing (Scotland) Bill would be primarily concerned to introduce provisions for means-testing home-improvement grants similar to those which the Housing and Local Government Bill will introduce for England and Wales. The Scottish Office had in mind

to add some miscellaneous provisions but of relatively low priority. The Bill would have to follow the English Bill, which will not be ready until late January, in order that the main drafting burden fell on DOE and Parliamentary Counsel, and so it would be a very late starter.

4. The Housing (Scotland) Bill was supported by Treasury Ministers as a high priority in QL. It would have improved the targeting of resources and achieved consistency with the reforms of the Home Improvement Grant system in England. But the same is true of the Transport (Scotland) Bill, which is a privatisation measure covering for example the Scottish Bus Group. The Treasury holds no particular brief for the Education (Scotland) Bill, which will not, as was urged by the Treasury, include powers to impose a pay settlement on Scottish teachers should they fail to reach agreement by other means. But the Bill would among other things allow Scottish schools to opt out of the local authority system and become grant-maintained. It would therefore have significant political importance.

5. Given the agreement between Mr Rifkind and the business managers that one of the Scottish Bills must be dropped, it seems unlikely for these reasons that the Housing (Scotland) Bill can be saved for next year's programme. But if you agree to concede, I recommend that you should do so in terms which aim to extract credit for use in obtaining a little more flexibility than the Lord President is currently prepared to concede on the Housing and Local Government Bill, discussed below.

Housing and Local Government Bill

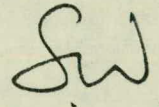
6. Mr Ridley in his letter of 21 July to the Lord President had proposed to cut the Bill from an estimated 200 clauses to an essential core of nearer 120. The Chief Secretary wrote on 26 July to the Lord President, concurring with Mr Ridley's proposals but urging that the clauses giving power to extend the use of fees and charges for local authority services should be retained. The Lord President's reply, which crossed with this letter, concluded that provided the Bill was introduced no later than the end of January and was no larger than about 120 clauses or 90 pages of print, he was content to leave it to Mr Ridley and yourself to agree the content.

CONFIDENTIAL

7. Mr Ridley's letter of 3 August proposes that the Bill should include the core items he proposed, even if it goes over the limits on size set by the Lord President, and he makes a strongly-worded protest against the limitations on the volume of legislation imposed by the capacity of the Office of Parliamentary Counsel, arguing that long Bills take far less Parliamentary time than the equivalent sum of short Bills.

8. There is no need to follow Mr Ridley down this road: his Department's own record in producing quality Instructions to time is not unblemished. The essential point so far as you are concerned is that you endorse the Lord President's suggestion that you and Mr Ridley should agree the content of the Bill, and note that a little flexibility at the margin over length may be needed and justified by the dropping of the Housing (Scotland) Bill.

9. A draft letter to Mr Wakeham dealing with both these issues is attached.



S N WOOD

CONFIDENTIAL

Rt Hon John Wakeham MP
Lord President of the Council
Privy Council Office
Whitehall
LONDON
SW1A 2AT

LEGISLATIVE PROGRAMME 1988/89

Thank you for your letter to me of 26 July about Malcolm Rifkind's proposal to drop the Housing (Scotland) Bill from next Session's programme. I should also like to comment on your letter of 26 July to Nicholas Ridley about the Housing and Local Government Bill; I have seen Kenneth Baker's letter of 28 July and Nicholas's reply to you of 3 August.

I should be reluctant to lose the Housing (Scotland) Bill. It would improve the targeting of resources on home improvement grants in Scotland, and achieve consistency with the arrangements that will be introduced in England and Wales. But I recognise the difficulties the business managers face, and I should be prepared to agree to this Bill being dropped on the understanding that you will not be quite so inflexible on the length of the Housing and Local Government Bill as your letter of 26 July implied, if it turns out that the Bill needs to be a little longer in order to accommodate all the points that Nicholas Ridley and I agree in due course are essential.

CONFIDENTIAL

I am copying this letter to the Prime Minister,
Nicholas Ridley, Kenneth Baker, Peter Walker,
Malcolm Rifkind, John Belstead, David Waddington and
Sir Robin Butler.

NIGEL LAWSON

CONFIDENTIAL



CH/EXCHEQUER	
REC.	10 AUG 1988
ACTION	CST ✓ 10/8
COPIES TO	

PRIVY COUNCIL OFFICE
WHITEHALL, LONDON SW1A 2AT

10 August 1988

See Nick,

LEGISLATIVE PROGRAMME 1988/89 : HOUSING AND LOCAL GOVERNMENT BILL

As I indicated in my letter of 26 July, I am most grateful to you for agreeing to reduce the size of your Bill in the way which we have discussed, particularly since I know that this has entailed dropping some proposals which you had very much hoped to be able to bring forward. As I suggested in that letter, perhaps you could now agree with Nigel Lawson - and indeed with other interested colleagues - the priority to be attached to the various elements to be included in the Bill and advise the draftsman accordingly.

As you know, QL accepted your bid on the basis that instructions would be ready by the Spring. As we recognised at our meeting on 19 July, the timetable has slipped because both your officials and the draftsmen who would be dealing with the Bill continue to be preoccupied with the present Session's Bill. I am glad to see that most of the instructions can now be sent this month, with the remainder being sent in September, but inevitably this means that the Bill will not be ready until after Christmas and it was for this reason that I sought your agreement that the Bill should be restricted to what can be introduced by the end of January and in any event to no more than around 120 clauses or 90 pages of print.

As to your more general comments about the availability of drafting resources, I understand that this is being considered as part of Sir Robert Andrew's review of the Government legal service.

I am sending copies of this letter to the Prime Minister, John Belstead, Kenneth Baker, Malcolm Rifkind, Peter Walker, John Major, David Waddington and Sir Robin Butler. I am also sending copies of this letter and yours to Nigel Lawson and Patrick Mayhew.

John Wakeham

JOHN WAKEHAM

The Rt Hon Nicholas Ridley AMICE MP
Secretary of State for the Environment
Department of the Environment
2 Marsham Street
LONDON
SW1P 3EB

CONFIDENTIAL

REC. 18 AUG 1988

ACTING	Mr S Wood
COPIES TO	Mr S Wood
	Mr Brown, Mr Phillip
	Mr Edward, Miss Pen

PRIME MINISTER



HOUSING AND LOCAL GOVERNMENT BILL 1988/89

I am writing to seek policy approval to abolish the Homeloan scheme in next session's Housing and Local Government Bill.

The Scheme

Homeloan is an ineffective scheme designed to give cash help to first-time homebuyers. Intending beneficiaries must go through a bureaucratic procedure of registration and then save with a building society or other savings institution for at least two years. Depending on how much they save they are then eligible for a grant of between £40 and £110 and, if they have saved at least £600, they also qualify for a loan of £600 free of interest and capital repayments for five years. They are entitled to these benefits only if they buy a house costing less than the prescribed limit for their region.

There is simply no incentive for anyone to save for two years in order to qualify for these trifling sums. In that time, the rise in the price of houses will more than wipe out the benefit. The scheme has never attracted its intended target, which is two-thirds of first-time buyers. Last year there were only 2,500 customers - just 0.4% of first-time buyers - and the gross cost to the Department of the Environment was just over £1.75 million (if it reached its intended target, the scheme would cost over £290 million). At the moment the Department's Homeloan accounts are showing a surplus, since repayments of loans now exceed the amounts being paid out in loans and grants.

In 1986 the Environment Select Committee described the scheme as trivial and recommended that it should be reviewed. This call for a review was repeated last year. Last year the Building Societies Association, whose members shoulder most of the costs of



administering the scheme, recommended that it should be discontinued.

The choice is between abolition and improvement. Improving the scheme to the point where it was effective would have serious cost implications, which would be difficult to justify at a time when the annual numbers of first-time buyers are running at very high levels. Moreover, the availability of large grants and interest-free loans would simply fuel increasing house prices without necessarily making it easier for would-be first-time buyers. I therefore recommend that we grasp the nettle and abolish the scheme entirely. I understand that the provision will require only one or two clauses; and it can be accommodated within the clause limit for the Bill agreed with the Business Managers.

Presentation

Abolition of the Homeloan scheme could be depicted by our opponents as removing the Government's only form of assistance to first-time buyers at a time when they are already finding life difficult because of rapidly rising prices, increasing mortgage rates and the withdrawal of double mortgage tax relief for joint purchasers.

I would propose the following response:-

- we reviewed the scheme, in line with the recommendation of the Environment Select Committee;
- we have concluded that it is clearly not cost-effective in its present form;
- we could not justify increasing the grant for the reasons given above;



- in any case, we already give considerable assistance to first-time buyers through mortgage interest tax relief.

Conclusion

I should be grateful for your agreement and that of colleagues to the abolition of the Homeloan scheme being included in the Housing and Local Government Bill.

I am copying this letter to Malcolm Rifkind, Peter Walker, Tom King, other members of E(LF) and to Sir Robin Butler.

A handwritten signature in black ink, consisting of the letters 'N' and 'R' in a stylized, cursive script.

N R
17 August 1988

cc

PS/Chief Secretary
 PS/Financial Secretary
 PS/Paymaster General
 PS/Economic Secretary
 Sir Middleton
 Mr [redacted]
 Mr Monck
 Mr Phillips
 Mrs Case
 Mr Edwards

CONFIDENTIAL



Mr Moore
 Miss Peirson
 Mrs Brown
 Mr Farthing
 Mr Potter o/r
 Mr Fellgett
 Mr S N Wood
 Dr Laite
 Mr MacPherson
 Miss Haskins
 Mr Call

Treasury Chambers, Parliament Street, SW1P

01-270 3000

mp

18 August 1988

Rt Hon John Wakeham MP
 Lord President of the Council
 Privy Council Office
 Whitehall
 LONDON SW1A 2AT

Dear Lord President,

LEGISLATIVE PROGRAMME 1988-89

Thank you for your letter to me of 26 July about Malcolm Rifkind's proposal to drop the Housing (Scotland) Bill from next Session's programme. I should also like to comment on your letter of 26 July to Nicholas Ridley about the Housing and Local Government Bill; I have seen Kenneth Baker's letter of 28 July and Nicholas's reply to you of 3 August.

I should be reluctant to lose the Housing (Scotland) Bill. It would improve the targeting of resources on home improvement grants in Scotland, and achieve consistency with the arrangements that will be introduced in England and Wales. But I recognise the difficulties the business managers face, and I should be prepared to agree to this Bill being dropped on the understanding that you will not be quite so inflexible on the length of the Housing and Local Government Bill as your letter of 26 July implied, if it turns out that the Bill needs to be a little longer in order to accommodate all the points that Nicholas Ridley and I agree in due course are essential.

I am copying this letter to the Prime Minister, Nicholas Ridley, Kenneth Baker, Peter Walker, Malcolm Rifkind, John Belstead, David Waddington and Sir Robin Butler.

Yours sincerely,

Moir Wallace

pp

NIGEL LAWSON

*(Approved by the Chancellor
 and signed in his absence)*



Treasury Chambers, Parliament Street, SW1P 3AG

The Rt Hon Nicholas Ridley AMICE MP
Secretary of State for the Environment
Department of Environment
2 Marsham Street
London SW1P 3EB

24th August 1988

MP

Dear Nick

HOUSING AND LOCAL GOVERNMENT BILL 1988/89

I have seen a copy of your minute of 17 August to the Prime Minister recommending abolition of the Homeloan scheme.

I agree that as it stands, the scheme is not operating effectively and represents rather poor value for money. Moreover, an effective scheme would be costly to implement and would have adverse implications for house price inflation. I therefore support your suggestion that the Homeloan scheme should be abolished, with the necessary legislation being included in the Housing and Local Government Bill.

Copies of this letter go to the Prime Minister, Malcolm Rifkind, Peter Walker, Tom King, other members of E(LF) and to Sir Robin Butler.

Your
Norman

NORMAN LAMONT



~~BF 3018~~
MARSHAM STREET

LONDON SW1P 3EB

01-212 3434

My ref:

✓ Your ref: *Ch/ has now written on this - pl find*

26/8

25 August 1988

*ppp
(weeded At)*

CH/EXCHEQUER	
REC.	26 AUG 1988
ACTION	CST
COPIES TO	

The Rt Hon John Wakeham MP
Lord President of the Council
Privy Council Office
68 Whitehall
LONDON
SW1

Dear Lord President,

Thank you for your further letter of earlier this month about next session's Housing and Local Government Bill.

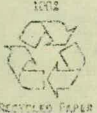
I accept of course what you say about the need to limit the size of the Bill should it not be possible to effect introduction before the end of January, although I am not persuaded that that limit needs to be as restrictive as you propose. I cannot accept that the Bill should be introduced so late: and there are clear benefits as far as Parliamentary time is concerned in including as much as possible in the one Bill. In addition, most of the Instructions on the matters which I would intend to bring forward could be with the Parliamentary draftsman by the end of September. It is quite unacceptable that in these circumstances we may need to exclude from the Bill material to which I and other colleagues attach considerable importance simply because of the shortage of drafting capacity. I therefore urge you to reconsider what might be done to increase that capacity during the next few months to enable an earlier introduction for the Bill and the inclusion of all those important matters where instructions are substantially prepared. In any event I think we should strive to have the Bill ready before Christmas.

I am copying this letter to the Prime Minister, John Belstead, Nigel Lawson, Kenneth Baker, Malcolm Rifkind, Peter Walker, David Waddington and Sir Robin Butler.

Yours sincerely
Nicholas Ridley

ppp
NICHOLAS RIDLEY

(Approved by the Secretary of State and Signed in his Absence)



RESTRICTED



MP

CH/EXCHEQUER	
REC	30 AUG 1988
ACTION	CST
COPIES TO	

30/8 ✓

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

26 August 1988

Jean Roger

HOUSING AND LOCAL GOVERNMENT BILL 1988/89

The Prime Minister has seen your Secretary of State's minute of 17 August on which the Financial Secretary to the Treasury has commented as has Lord James Douglas-Hamilton, who had proposed extending abolition of the Homeloan Scheme for Scotland in the same Bill.

The Prime Minister is content with your Secretary of State's proposal.

I am copying this letter to the Private Secretaries to the Secretaries of State for Scotland, Wales and Northern Ireland, other members of E(LF) and to Trevor Woolley (Cabinet Office).

*Yours sincerely
Dominic Morris*

Dominic Morris

Roger Bright, Esq.,
Department of the Environment.

Prime Minister

pp

✓ 26/8

CH/EXCHEQUER	
REC.	26 AUG 1988
ACTION	CST
COPIES TO	

HOUSING AND LOCAL GOVERNMENT BILL 1988/89

I am writing in Malcolm's absence, having seen Nicholas Ridley's minute of 17 August to you, in which he proposes the inclusion of a provision in next session's Housing and Local Government Bill to abolish the Homeloan scheme. May I say that I strongly support the underlying aim of making house purchase easier for first time buyers. Also I am convinced that there is very strong support for low cost home ownership in Scotland, and this is being given a higher priority by the Housing Corporation in Scotland. Nonetheless the scheme concerned has not achieved the desired purpose. The Homeloan scheme operates in Scotland in exactly the same way as in England and Wales, and our experience of its effectiveness is, if anything, even more dismal than the experience south of the Border.

In 1987/88, for example, there were only ten applicants in all Scotland; and indeed in 1984/85 and 1985/86 there were only four. It therefore seems even less worthwhile to continue it in Scotland than in England and Wales, and I agree with Nicholas's general arguments, which of course apply in Scotland too, that the best course would be to abolish it.

I would like to propose that the abolition for Scotland should be accomplished also in the Housing and Local Government Bill. There should be no drafting problems in that, since the statutory provisions for Scotland, although now separately consolidated in the Housing (Scotland) Act 1987, are in identical terms to those for England and Wales. To include the Scottish Provisions would not therefore add to the one or two clauses which Nicholas thinks would be needed to provide for abolition of the scheme.

I am copying this minute to Nicholas Ridley, Peter Walker, Tom King, other members of E(LF) and Sir Robin Butler.

James Douglas Hamilton

JAMES DOUGLAS-HAMILTON
26 August 1988



Y SWŶFA GYMREIG
GWYDYR HOUSE

WHITEHALL LONDON SW1A 2ER
Tel. 01-270 3000 (Switsfwrdd)
01-270 (Llinell Union)

Oddi wrth Ysgrifennydd Gwladol Cymru

WELSH OFFICE
GWYDYR HOUSE

WHITEHALL LONDON SW1A 2ER
Tel. 01-270 3000 (Switchboard)
01-270 (Direct Line)

From The Secretary of State for Wales

The Rt Hon Peter Walker MBE MP

CH/EXCHEQUER	
REC.	06 SEP 1988
ACTION	CST 5
COPIES TO	

6/9-

September 1988

Thank you for copying to me your minute of 17 August to the Prime Minister about your proposal to abolish the Homeloan scheme in next session's Housing and Local Government Bill.

I agree with your proposal. There has been very little interest in the scheme in Wales and it has clearly outlived its usefulness. As you point out, the scheme would require major improvements to make it effective which apart from the cost implications would simply add another boost to house price inflation.

I am copying this letter to the Prime Minister, Malcolm Rifkind, Tom King, other members of E(LF) and to Sir Robin Butler.

The Rt Hon Nicholas Ridley AMICE MP
Secretary of State for the Environment
2 Marsham Street
LONDON
SW1P 3EB

Y SWYDDFA GYMREIG

GWYDYR HOUSE

WHITEHALL LONDON SW1A 2ER

Tel. 01-270 3000 (Switsfwrdd)
01-270 0538 (Llinell Union)

Oddi wrth Ysgrifennydd Gwladol Cymru



MP

WELSH OFFICE

GWYDYR HOUSE

WHITEHALL LONDON SW1A 2ER

Tel. 01-270 3000 (Switchboard)
0102388 (Direct Line)

From The Secretary of State for Wales

The Rt Hon Peter Walker MBE MP

9 September 1988

Dear Secretary of State

LEGISLATIVE PROGRAMME 1988/89: HOUSING AND LOCAL GOVERNMENT BILL

Thank you for copying to me your letters of 3 and 25 August to the Lord President.

I too am not very happy that the Housing and Local Government Bill is being curtailed merely because of the shortage of draftsmen. As you say, short-term savings by eliminating clauses in this Bill will not save us work in the medium to longer term. Generally I would like to see as many as possible of our proposals for the reform of the conduct of local authority business included in this Bill.

At present I am particularly concerned about 3 issues. The first is possible delay in the abolition of the Representative Bodies for England and Wales. We have agreed that these bodies should be abolished and that legislation should be brought forward at the earliest convenient opportunity. In this context you will recall that we agreed in principle in 1986 that Internal Drainage Boards should be brought within the jurisdiction of the local ombudsmen. If we do not provide primary legislation to abolish the Representative Bodies now or at an early opportunity then we may have to use secondary legislation in the interim to amend their membership and charging regimes. We should avoid that unproductive work by abolishing the Representative Bodies.

Secondly I would press for a clause in the Housing and Local Government Bill to amend sections 21 and 33 of the Local Government Act 1972 which specify the nomenclature of District and County and Community Councils, so as to enable authorities to use a Welsh Language version only of their titles. As you will appreciate Welsh Language issues are particularly sensitive and I wish to make early progress.

The Rt Hon Nicholas Ridley MP
Secretary of State for the Environment
2 Marsham Street
LONDON
SW1P 3EB

CH/EXCHEQUER	
REC.	12 SEP 1988
ACTION	CST
COPIES TO	

✓ 12/9



Finally we have previously corresponded about the dropping of a clause in the Bill to enable the Development Board for Rural Wales to write off outstanding NLF debt. I attach particular importance to this clause and I am not content to see it fall just because of a shortage of drafting capacity.

I am copying this letter to the Prime Minister, the Lord President, Nigel Lawson, John Belstead, Kenneth Baker, Malcolm Rifkind, John Major, David Waddington and Sir Robin Butler.

Yours sincerely

Keith Davies

*Approved by the Secretary of State and
signed in his absence.*



CH/EXCHEQUER	
REC.	14 SEP 1988
ACTION	CST ✓ 14/1
COPIES TO	

PRIVY COUNCIL OFFICE
WHITEHALL, LONDON SW1A 2AT

12 September 1988

Dear Nick,

LEGISLATIVE PROGRAMME 1988/89: HOUSING AND LOCAL GOVERNMENT BILL

Thank you for your letter of 25 August about this Bill, and about the adequacy of drafting resources for Government legislation. I have also seen Peter Walker's letter of 9 September.

Let me say straightaway that I would not want to be absolutely rigid about a limit of 120 clauses. That was, of course, the approximate length that you yourself suggested for the Bill's vital provisions, and it happened to be in line with my own rough assessment of what was practicable for a Bill that was not starting until the end of January in a very heavy session. But I would naturally accept the situation if a few more clauses were needed to accommodate some important topic. And if the Bill could start somewhat earlier than we envisaged when we met in July, then that would have an obvious effect on the assessment. I fully agree that the aim should be to include as much agreed policy material as is practicable on the Bill's timescale, provided that it is correctly prepared and drafted, and thus does not require extensive amendment during its passage.

I am not sure if you are suggesting that shortage of draftsmen is the main constraint on the Government's legislative programme, but I for my part could not agree with any assessment that left the Parliamentary dimension out of account. There is a limit to what can be taken through both Houses of Parliament in a single session, and I think we have probably been approaching that limit. In the present case a main reason why the preparation of the contents of next session's Bill has fallen behind the timetable outlined to QL is surely the burden represented by the present session's Bill, and the fact is that this still needs considerable further work done on it in the House of Lords. As I mentioned in my previous letter, however, the general question of drafting resources is within the scope of Sir Robert Andrew's review of Government legal services. I understand that Sir Robert has already taken evidence from your officials and from Michael Howard, but I am sure that he would be very happy to hear from you direct if you would like to put any views to him on this point.

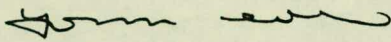
But whatever views may be taken of drafting resources in the longer term, the room for manoeuvre in the short run is very limited indeed. As Cabinet accepted, the agreed programme is at the limits of what is feasible, and there is no way in which new drafting resources could be brought to bear on any Bill without jeopardising the preparation of other parts of the programme. First Parliamentary Counsel assures me that the Housing and Local Government Bill will be given all the drafting priority that the rest of the programme allows, but he does not believe that this major Bill (on which the final

Rt Hon Nicholas Ridley AMICE MP
Secretary of State for the Environment

CONFIDENTIAL

instructions are still awaited) can be prepared before Christmas. From my point of view the essential thing is that the Bill should be introduced by the end of January at the very latest, and I suggest that we should discuss nearer the time if there is any problem with that timetable, or if any important issues cannot be accommodated at the time of introduction in a Bill of the rough size we have been discussing. In the meantime, I know that it will be helpful to the draftsman if your officials could indicate the order of priority that should be attached to the various provisions, for working purposes.

I am copying this letter to the Prime Minister, Nigel Lawson, Kenneth Baker, Peter Walker, Malcolm Rifkind, John Belstead, David Waddington and Sir Robin Butler.



JOHN WAKEHAM

CONFIDENTIAL

MP



CH/EXCHEQUER	
REC.	14 SEP 1988
ACTION	MR S WOOD ✓ 14/9
COPIES TO	CST SIR P MIDDLETON MR ANSON MR PHILLIPS MR EDWARDS MR BETESON, MISS PETERSON, MR POTTER, MR CALL

PRIVY COUNCIL OFFICE
WHITEHALL, LONDON SW1A 2AT

12 September 1988

See Nigel

LEGISLATIVE PROGRAMME 1988/89: HOUSING (SCOTLAND) BILL

Thank you for your letter of 18 August in reply to mine of 26 July about Malcolm Rifkind's proposal to drop the Housing (Scotland) Bill from next session's programme.

I hope you will agree that the letter I am sending Nicholas Ridley today about his Housing and Local Government Bill is as accommodating as we can be on the length of that measure and, on that basis, I am most grateful for your agreement to the postponement of the Housing (Scotland) Bill to a later session.

I am copying this letter to the Prime Minister, Nicholas Ridley, Kenneth Baker, Peter Walker, Malcolm Rifkind, John Belstead, David Waddington and Sir Robin Butler.

John Wakeham

JOHN WAKEHAM

Rt Hon Nigel Lawson MP
Chancellor of the Exchequer



mp
 2 MARSHAM STREET
 LONDON SW1P 3EB
 01-212 3434

My ref:

Your ref:

The Rt Hon John Wakeham MP
 Lord President of the Council
 Privy Council Office
 68 Whitehall
 LONDON
 SW1

CH/EXCHEQUER	
REC.	5 OCT 1988
ACTION	CST
COPIES TO	

S/10

4 October 1988

Dear John

Thank you for your further letter of 12 September about the Housing and Local Government Bill.

I am glad that we agree that we should aim to include as much policy material as is practicable in this Bill and I note First Parliamentary Counsel's assurance that it will be given all the drafting priority which the rest of the programme allows. Instructions for most of the substantive parts of the Bill, covering perhaps three quarters of it, have now been sent to Counsel, and the bulk of the Instructions on capital finance will follow in the next few days.

As to priority within the Bill, I should be grateful if this could be given to all of the items listed in my letter of 21 July, including that on local authority fees and charges where as expected colleagues are very keen that we should proceed. In the light of your letter I hope you will be content for Instructions to be sent on some of those items which we had put aside following our meeting in July in the hope that they too can be accommodation in the Bill.

There are also proposals relating to the Local Ombudsman for which you have given drafting authority for a Private Member's Bill. The first draft of this is already available, but since we are including other aspects of the Widdicombe proposals in our own Bill it would seem more logical to include the Ombudsman proposals as well, particularly since we now also wish to include a provision to change the basis of financing of the Ombudsman from a levy to a deduction from the block grant which would not be suitable for a Private Member. I think you would agree that Parliament might be resentful if it became clear that we had simply unloaded a bit of the Widdicombe proposals onto a backbencher that could quite well have been included in a Government Bill.

Finally, I note what you say about drafting resources. I would indeed like to take up your suggestion that I should see Sir Robert Andrew about this. My office are making the necessary arrangements.

I am copying this letter to the Prime Minister, Nigel Lawson, Kenneth Baker, Peter Walker, Malcolm Rifkind, John Belstead, David Waddington and Sir Robin Butler.

Lawson
Andrew

NICHOLAS RIDLEY



BF 7/10
[EAC]

MP
1 MARSHAM STREET
LONDON SW1P 3EB
01-212 3434

The Rt Hon Peter Walker MBE MP
Welsh Office
Gwydyr House
Whitehall
LONDON
SW1

CH/EXCHEQUER	
REC.	- 6 OCT 1988
ACTION	CST
COPIES TO	

My ref:
Your ref:

✓ 6/10
5 October 1988

Dear Peter

HOUSING AND LOCAL GOVERNMENT BILL

Thank you for your letter of 9 September about next Session's Housing and Local Government Bill. You will have seen John Wakeham's letter of 12 September on the question of the length of timing of the Bill and my reply. We have been making good progress in sending instructions to Counsel on the main topics and have already received a number of draft clauses. I remain optimistic about having the Bill ready for introduction in January.

I agree with you that, having announced our intention to fund the Local Ombudsman centrally and accordingly to abolish the Representative bodies for England and Wales, we should include the necessary provisions in the Housing and Local Government Bill if at all possible. This raises the question of the proposed 'handout' Bill approved by QL on remedies to deal with recalcitrant councils who refuse to accept the Ombudsman's findings. Counsel has already drawn up a first draft of the Bill but I think that the provision would now best be included in the main Housing and Local Government Bill along with the new funding arrangements and abolition of the Representative Bodies. My letter to John Wakeham seeks his agreement to this course.

I am not entirely clear about your proposal to allow use of Welsh language names for Welsh local authorities. Could I suggest that you set out your policy proposal for colleagues in H Committee?

On the question of the clause enabling the Development Board for Rural Wales to write-off NLF debt I think John Wakeham's letter of 12 September offers hope that this and some other desirable matters, which perforce had to be identified as of slightly lower priority, can now be brought forward. Perhaps your officials could get in touch with mine so that the necessary instructions can be prepared.

I am copying this letter to the Prime Minister, the Lord President, Nigel Lawson, John Belstead, Kenneth Baker, Malcolm Rifkind, John Major, David Waddington, Sir Robin Butler and to First Parliamentary Counsel.

Jansan

Amela

NICHOLAS RIDLEY



SWYDDFA GYMREIG
GWYDYR HOUSE

WHITEHALL LONDON SW1A 2ER

Tel 01-270 3000 (Switsfwrdd)
01-270 (Llinell Union)

Oddi wrth Ysgrifennydd Gwladol Cymru



MP
WELSH OFFICE
GWYDYR HOUSE
WHITEHALL LONDON SW1A 2ER
Tel. 01-270 3000 (Switchboard)
01-270 (Direct Line)

The Rt Hon Peter Walker MBE MP

From The Secretary of State for Wales

17 October 1988

Dear Lord President

HOUSING AND LOCAL GOVERNMENT BILL

I appreciate that there are severe drafting pressures on the Housing and Local Government Bill, so it is not without the most careful consideration that I propose an additional clause.

When I announced the creation of the Welsh Language Board to advise me on the promotion and encouragement of the Welsh Language in July, I said that I would be consulting my colleagues with a view to amending the 1972 Local Government Act so as to allow local authorities' corporate names to be in Welsh only (eg Cyngor Sir Gwynedd for Gwynedd County Council). Current legislation enables the council's corporate title to be in English only. The 1967 Welsh Language Act does enable a Welsh version of the English title to be given, but the statutory title remains that prescribed to be in English - it is not possible to substitute a Welsh title for the statutory prescribed English title.

I therefore propose an additional clause to the Housing and Local Government Bill which would allow this by making the necessary amendments to the 1972 Act. A similar provision was made in the Companies Act 1985 with regard to the statutory title of Welsh companies. Local authorities wishing to take advantage of this provision - and I propose to extend it to county, district and

The Rt Hon John Wakeham MP
Lord President of the Council
Privy Council Office
68 Whitehall
LONDON
SW1

CHIEF SECRETARY	
REC.	18 OCT 1988
ACTION	Mr S Wood
COPIES TO	CX, Sir P Middleton Mr Anson, Mr Phillips Mr Edwards, Miss Pearson Mr Foster Mr Betenson

Mr Call

.../community



community councils - would need to secure the support of at least two thirds of those present at a meeting that would have to be specially convened for the purpose, giving at least 14 days' notice. The Council would then be required to inform me of the change as well as informing other organisations with an interest such as the Director General of the Ordnance Survey and the Registrar General. Any such change of name and title would not affect the Council's rights or obligations entered into under its previous title.

This proposal will not give rise to EC implications nor will it have financial and manpower implications for central Government.

General legislation in support of the Welsh language is a subject fraught with difficulties and one which excites fervent interest within certain parts of the community in Wales. The inclusion of a clause along the lines that I have outlined in the forthcoming Bill will, I believe, be welcomed by all sides of the community and will demonstrate my commitment to taking practical steps in support of the Welsh language.

I would be grateful for colleagues' agreement to this course of action by Monday 24 October.

I am copying this letter to the Prime Minister, Nicholas Ridley, other members of 'H' Committee, Sir Robin Butler, and to First Parliamentary Counsel.

Yours sincerely

Keith Davies

Approved by the Secretary of State
and signed in his absence



PRIVY COUNCIL OFFICE
WHITEHALL, LONDON SW1A 2AT

CH/EXCHEQUER	
REC.	17 OCT 1988
ACTION	CST
COPIES TO	

✓ 17/10 17 October 1988

Dear Nick,

HOUSING AND LOCAL GOVERNMENT BILL

Thank you for your letter of 4 October in which you ask for drafting priority to be given to all the items listed in your letter of 21 July and for instructions to be sent to Parliamentary Counsel on some of the items which you had previously dropped from the Bill in order to slim it down. You also ask for agreement that provisions on the Local Ombudsman should be included in this Bill, rather than being left in the Private Members Handout Bill that is in the approved list.

I think you are reading too much into my letter of 12 September. When I agreed that the aim should be to include as much agreed policy material as was practicable on the Bill's timescale, provided that it was correctly prepared and drafted, that did not signal an open season for throwing every possible relevant provision into the Bill. I understand that a Bill of the order of 120 clauses will, in practice, be all that can be drafted in time for introduction by the end of January, and I believe that on that timescale any substantially bigger measure would, in any event, cause appreciable handling problems later in the session. I would obviously not want to seek to impose an absolutely rigid and arbitrary limit of 120 clauses, whatever the circumstances by the time of introduction. But the vital thing is that the Bill must be introduced in January, even assuming a guillotine, and that it should not be so hastily prepared that we suffer from extensive government amendments later on.

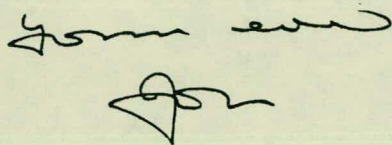
I, therefore, still believe that it would be helpful for your Department to indicate to the draftsmen the order of priority that is attached to the various provisions. It would clearly be very undesirable for the draftsmen to be proceeding on a perception of the priorities that is different from your own, and I very much hope that you will be able to think again about this. Since the ordering of priorities is a matter for you rather than me, I would not want to express a view on the usefulness of your Department sending instructions on the provisions that you previously proposed to drop. If you can bring some of those provisions back into a Bill of the size and timescale we are contemplating, then clearly I would not wish to stand in your way. There seems little point, on the other hand, in distracting Parliamentary Counsel with instructions on topics that have such low priority that their chances of inclusion are small.

I quite understand your arguments about including the provisions on the Local Ombudsman, and I agree that there might be those who tried to score points off us for unloading a bit of the Widdecombe proposals onto a backbencher, though no doubt we could deal with that robustly. On the other hand, any inflation of this massive and very late Bill will tend to store up more trouble for later in the session. I am reluctant, therefore, to accept at this stage that the Local Ombudsman provisions should be

Contd 2/ . . .

incorporated in the Bill. Perhaps we could have another look at this before the ballot for Private Members Bills in the new session, when we could take the opportunity to review progress on your Bill as a whole.

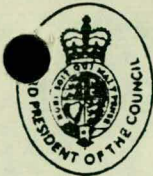
I am copying this letter to the Prime Minister, Nigel Lawson, Kenneth Baker, Peter Walker, Malcolm Rifkind, John Belstead, David Waddington, First Parliamentary Counsel and Sir Robin Butler.

A handwritten signature in black ink, appearing to read 'John Wakeham', with a stylized flourish below it.

JOHN WAKEHAM

The Rt Hon Nicholas Ridley AMICE MP
Secretary of State for the Environment
Department of the Environment
2 Marsham Street
LONDON
SW1P 3EB

MP



PRIVY COUNCIL OFFICE

WHITEHALL, LONDON SW1A 2AT

17 OCT 1988
CST

17 October 1988

CHIEF SECRETARY	
REC	17 OCT 1988
ACTION	Mr S Wood
COPIES TO	Cx, Sir P Middleton, Mr Hansen, Mr Phillips, Mr Edwards, Miss Pensen, Mr Potter, Mr Betensen Mr CMM

Dear Nick,

HOUSING AND LOCAL GOVERNMENT BILL

Thank you for your letter of 4 October in which you ask for drafting priority to be given to all the items listed in your letter of 21 July and for instructions to be sent to Parliamentary Counsel on some of the items which you had previously dropped from the Bill in order to slim it down. You also ask for agreement that provisions on the Local Ombudsman should be included in this Bill, rather than being left in the Private Members Handout Bill that is in the approved list.

I think you are reading too much into my letter of 12 September. When I agreed that the aim should be to include as much agreed policy material as was practicable on the Bill's timescale, provided that it was correctly prepared and drafted, that did not signal an open season for throwing every possible relevant provision into the Bill. I understand that a Bill of the order of 120 clauses will, in practice, be all that can be drafted in time for introduction by the end of January, and I believe that on that timescale any substantially bigger measure would, in any event, cause appreciable handling problems later in the session. I would obviously not want to seek to impose an absolutely rigid and arbitrary limit of 120 clauses, whatever the circumstances by the time of introduction. But the vital thing is that the Bill must be introduced in January, even assuming a guillotine, and that it should not be so hastily prepared that we suffer from extensive government amendments later on.

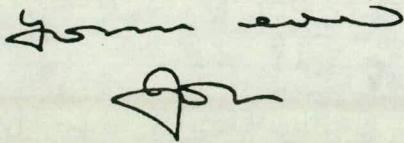
I, therefore, still believe that it would be helpful for your Department to indicate to the draftsmen the order of priority that is attached to the various provisions. It would clearly be very undesirable for the draftsmen to be proceeding on a perception of the priorities that is different from your own, and I very much hope that you will be able to think again about this. Since the ordering of priorities is a matter for you rather than me, I would not want to express a view on the usefulness of your Department sending instructions on the provisions that you previously proposed to drop. If you can bring some of those provisions back into a Bill of the size and timescale we are contemplating, then clearly I would not wish to stand in your way. There seems little point, on the other hand, in distracting Parliamentary Counsel with instructions on topics that have such low priority that their chances of inclusion are small.

I quite understand your arguments about including the provisions on the Local Ombudsman, and I agree that there might be those who tried to score points off us for unloading a bit of the Widdecombe proposals onto a backbencher, though no doubt we could deal with that robustly. On the other hand, any inflation of this massive and very late Bill will tend to store up more trouble for later in the session. I am reluctant, therefore, to accept at this stage that the Local Ombudsman provisions should be

Contd 2/ . . .

incorporated in the Bill. Perhaps we could have another look at this before the ballot for Private Members Bills in the new session, when we could take the opportunity to review progress on your Bill as a whole.

I am copying this letter to the Prime Minister, Nigel Lawson, Kenneth Baker, Peter Walker, Malcolm Rifkind, John Belstead, David Waddington, First Parliamentary Counsel and Sir Robin Butler.

A handwritten signature in black ink, appearing to read 'John Wakeham', with a stylized flourish below it.

JOHN WAKEHAM

The Rt Hon Nicholas Ridley AMICE MP
Secretary of State for the Environment
Department of the Environment
2 Marsham Street
LONDON
SW1P 3EB



SCOTTISH OFFICE
WHITEHALL, LONDON SW1A 2AU

24 OCT 1988

The Rt Hon John Wakeham MP
Lord President of the Council
Privy Council Office
68 Whitehall
LONDON
SW1A 2AT

FINANCIAL SECRETARY	
REC.	24 OCT 1988
ACTION	Mr. S. Wood.
COPIES TO	PPs, CST, Mr. M. Bentenson Party Clerk.

Z

October 1988

Dear Lord President,

HOUSING (SCOTLAND) BILL: COMMENCEMENT

I am writing to seek the agreement of L Committee colleagues to the bringing into operation of Part I and related other sections of the Housing (Scotland) Bill.

Part I of the Bill provides for the establishment of a new housing agency, Scottish Homes. In the Parliamentary debate on the Bill, we have made it clear that Scottish Homes will come into full operation on 1 April 1989. To enable the necessary preliminary work to be done, such as the employment of staff and the planning of its programme for 1989-90, I consider it necessary to bring the relevant provisions into force on 1 December 1988.

Subject to confirmation from the Whips' Office, we hope that the final Parliamentary stages of the Bill will take place before the end of October with Royal Assent shortly thereafter. This will mean, however, that it will not be possible to observe the normal two month period between enactment and commencement.

I therefore seek agreement to the commencement of the relevant provisions of the Bill on 1 December 1988. In view of the tight timetable, I would be grateful if colleagues would respond by 31 October and I will assume their agreement in the absence of any response by then.

I am copying this letter to the members of L Committee, *Nicholas Ridley and Sir Robin Butler.*

*Yours Sincerely
MS Jones*

MALCOLM RIFKIND

*Approved by the Secretary of State
and signed in his absence.*

MP



2 MARSHAM STREET
LONDON SW1P 3EB
01-212 3434

My ref:

Your ref:

The Rt Hon John Wakeham MP
Lord President of the Council
Privy Council Office
Whitehall
LONDON
SW1

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26 October 1988

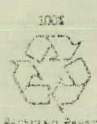
Dear Lord President,

Thank you for your further recent letter about the Housing and Local Government Bill.

You suggest once again that it would be helpful to the draftsmen to indicate the order of priority that should be attached to the various provisions. In my letter of 21 July I set out the provisions which I regard as absolutely essential. The attached Annex A sets out the state of play on these. All of them must be in the Bill when introduced and what we now need is for the draftsmen to produce rapidly draft Clauses - we have been supplying Instructions steadily since the beginning of August and there is little further material to be sent. It is particularly important that we should receive soon Clauses on those items which will give rise to substantial elements of the Bill, since inevitably these are likely to need a good deal of discussion with the Department. I am thinking of the provisions on local authority capital finance, housing accounts and subsidies, the conduct of local authority business, and local authority involvement with companies, together with the remaining clauses on the home improvement grant package.

One of the items referred to above is making certain amendments to the Local Government Finance Act 1988 which there was not enough time to do while the Bill was before Parliament. Since July we have become aware of certain difficulties with the Act and there are other related matters on which we need to legislate. Likewise Counsel is advising that time will not allow all of the consequential changes being made in the current Housing Bill, and clearly we need to proceed with these at the earliest possible moment. Instructions on these points are being put to Counsel.

Following our meeting in July, I put on one side legislation on some 11 items as being of lesser priority. I have now reviewed those and find that Instructions are ready or in an advanced state on 4 or 5 of these, none of which should require more than a single clause. Instructions will therefore be put to Counsel



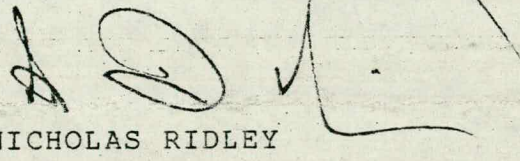
shortly on these in the hope that he can find time to deal with them, but not, of course, at the expense of priority items.

I am, of course, also aware of requests from colleagues to include other provisions in this Bill. For example I recently agreed to a request from Kenneth Baker to repeat Section 2 of the Education (Grants and Awards) 1984.

I am disappointed that you feel unable to agree at this stage that the Local Government Ombudsman provisions should definitely be included in this Bill. A first draft of the Clauses is available to be discussed with the Department and I believe our proposals will be welcomed so they are unlikely to take up much Parliamentary time. I hope you will feel able to reconsider this.

As before I am copying this letter to the Prime Minister, Nigel Lawson, Kenneth Baker, Peter Walker, Malcolm Rifkind, John Belstead, David Waddington, First Parliamentary Counsel and Sir Robin Butler.

Yours sincerely

PP 

NICHOLAS RIDLEY

(Approved by the Secretary of State
and Signed in his Absence)

CONFIDENTIAL

ANNEX A

ITEMS AGREED AS PRIORITY IN JULY AND LIKELY TO LEAD TO SUBSTANTIAL NUMBERS OF CLAUSES OR SCHEDULES

1. New system of controls over local authority borrowing and capital expenditure (main instructions sent to Counsel 14 October).
2. Reform of local authority housing accounts and subsidies (Instructions sent 30 September).
3. Reform of the system of home improvement grants (Instructions sent 1, 5 and 31 August and 2 September - 26 clauses and 1 schedule drafted).
4. Controls over local authority involvement in companies (Instructions sent 20 September).
5. Implementation of main proposals on the conduct of local authority business (Instructions sent 25 and 26 August, and 30 September).

ITEMS AGREED AS PRIORITY IN JULY AND WHICH SEEM LIKELY TO REQUIRE ONLY 1/2 CLAUSES

6. Amendments time did not permit being made to the Local Government Finance Act 1988 (Instructions sent 29 July - draft schedule received).
7. Power to capitalise specific Exchequer grants to local authorities paid annually on loan charges (Instructions sent 31 August).
8. Variations to housing subsidy systems to permit recalculation after the disposal of housing stock (Instructions sent 14 October).
9. Power to give grants to local authorities for emergency expenditure (Instructions sent 21 September).
10. Power to authorise charging for local authority services (3 clauses drafted).
11. Power to transfer new town houses at tenanted market value (Instructions sent 31 August).
12. Abolition of Homeloan Scheme (Instructions sent 21 October).
13. Declaratory provision that local authorities do not need to own council housing (1 Clause drafted).
14. Extension of CRE code-making power (1 Clause drafted).
15. Power to give financial support to British Board of Agreement (Instructions sent 11 August).



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SCOTTISH OFFICE
WHITEHALL, LONDON SW1A 2AU

RP

CONFIDENTIAL

The Rt Hon Nicholas Ridley AMICE MP
Secretary of State for the Environment
2 Marsham Street
LONDON
SW1P 3EB

8 December 1988

Dear Nicholas,

HOUSING AND LOCAL GOVERNMENT BILL: SCOTTISH PROVISIONS

I have seen copies of your exchanges over the last couple of months with John Wakeham about the contents of the Housing and Local Government Bill, which I understand is scheduled for introduction towards the end of January.

It is already agreed that the Bill will contain provisions which apply to Scotland on housing (the abolition of the home loans scheme) and on local government (implementation of certain Widdicombe proposals) and I see no problem in completing the drafting of the relevant material in good time. I note that you will be using the Bill to make certain relatively technical changes in community charge and rating legislation comprising points which were left over from the Local Government Finance Act 1988 or which correct minor deficiencies and make minor improvements in the community charge and rating systems. I understand that, so far, only one of these technical changes is of GB-wide applicability, relating to community charge exemption for the employees of international organisations.

Against this background I hope that you and other colleagues would agree to include in the Bill a number of fairly technical corrections and improvements which we have identified to the community charge and rating systems for Scotland. I attach a list of the provisions I have in mind. As you will see, the firm candidates we can identify at the moment include the rectification of a small but embarrassing error on the community charge liability for people such as resident hotel proprietors and staff, together with one or two matters where it is desirable to come into line with the position south of the Border.

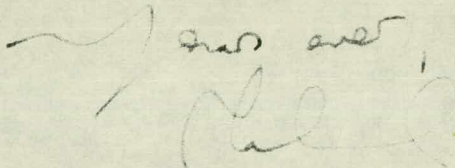
But my main reason for wanting to have Scottish community charge and rating provisions in the Bill is the possibility that, in the first half of next year, I may wish to bring forward provisions enabling me to start the process of moving non-domestic rate poundages in Scotland towards the level of the English UBR, on which I will shortly be circulating proposals in a paper for E(LF) as you suggested I should earlier this year. I do not think that the necessary provisions would be complex or indeed controversial: I would expect them to be warmly welcomed on all sides, in both Houses. As you will see from my list, there are two other

contingent matters, namely possible improvements in the timetable for the handling of valuation appeals and possible changes in civil penalties, where I may wish to introduce a greater degree of flexibility similar to what Registration Officers will have south of the Border, once the initial, and most contentious phase of establishment of the system in Scotland is past.

Subject to your agreement and that of colleagues, I would envisage proceeding very much as we did last year on the Local Government Finance Bill, incorporating in the Bill as presented only the minimum necessary Scottish provisions to establish scope for the matters I may wish to bring forward later, and choosing those provisions from my list which would be welcome, or at least uncontentious, and which so far as possible parallel provisions you are making or have already made south of the Border. These tactics worked well last Session even though the need to keep up with changes and developments in your provisions meant that we ended up with quite a lot of Scottish amendments at the end of the day. I am reasonably confident that, with the much more limited changes to both systems which we envisage this time round it should similarly be possible to handle the Scottish material in a way which avoids extensive discussion - particularly at the Committee Stage where I would not envisage the presence of a Scottish Office Minister being necessary.

I appreciate John Wakeham's general concerns about the size and scope of the Bill but I do not think that what I am proposing would significantly lengthen the Bill on introduction or slow up its Parliamentary progress.

I am copying this letter to the Prime Minister and members of E(LF) seeking agreement to the proposed legislative provisions listed in the Annex to this letter, apart from the question of business rates which will be subject to separate discussion in that Committee; to the Lord President and members of L Committee, seeking agreement to handling these matters in the Housing and Local Government Bill on the basis I have proposed; to David Waddington and to Sir Robin Butler.



MALCOLM RIFKIND

COMMUNITY CHARGE AND RATING SYSTEMS: PROPOSALS FOR LEGISLATION 1988-89

1. Highly desirable provisions1.1 Persons resident in premises subject to non-domestic rates

Paragraph 12 of Schedule 1A to the Abolition of Domestic Rates Etc (Scotland) Act 1987 provides for the exemption from the community charge of those whose sole or main residence is in premises which continue to be subject to rates. The Schedule was inserted by amendment made in the Local Government Finance Act 1988, and paragraph 12 failed properly to replicate the original provisions of the 1987 Act. The exemption should not be available to those living in 'part-residential' subjects where the rateable value is to be apportioned so that rates are not payable on the element attributable to the use of the premises as a sole or main residence, and where those who are solely or mainly resident there should pay the community charge. The main categories affected are resident proprietors, staff and permanently resident guests of hotels, boarding houses and pubs, as well as resident staff in residential schools. An amendment is necessary to insert the words originally contained in the 1987 Act but omitted from the 1988 Act amendment.

1.2 Parts of community charge register available for public inspection - use of initials

Public inspection of the community charges register in Scotland is limited to a list of names and addresses (and in the case of certain collective community charge premises, the multiplier). The information which can be inspected is technically a part of each register entry, and this means that if the full entry shows an individual's full name, so will the list of names available for inspection. Concern has been expressed that the appearance of full names in this way might enable the identification of certain vulnerable individuals, such as women living alone. The draft regulations establishing the community charges register in England and Wales propose that the public extract should contain initials only. To achieve this in Scotland requires an amendment to primary legislation.

1.3 Universities - charitable relief from rates

At present 50% mandatory relief from rates is provided for charitable organisations under the Local Government Financial Provisions Etc (Scotland) Act 1962. By amendment made in the Local Government Finance Act 1988 the level of mandatory relief will rise to 80% on 1 April 1990, matching similar changes south of the Border. The rate relief provisions in the Local Government Finance Act 1988 did not replicate the earlier exclusion of universities from the charitable concession, because of problems about possible hybridity of the Bill. This means that universities and colleges in England and Wales will benefit from 80% relief as from 1 April 1990. It seems desirable to make similar provision in Scotland, by amendment to the 1962 Act.

1.4 Aggregate Exchequer Grant

Changes in public expenditure planning, with the introduction of the 'new planning total' mean that the concept of 'Aggregate Exchequer Grant' as contained in Schedule 4 of the Abolition of Domestic Rates Etc (Scotland) Act 1987 will be no longer relevant with effect from the 1990-91 settlement. The concept has already been deleted from English legislation in the Local Government Finance Act 1988, and it is highly desirable to bring Scottish legislation into line.

1.5 Prescription of principles of valuation

The power to prescribe principles of valuation available to the Secretary of State for the Environment is not considered sufficiently wide to enable different decapitalisation rates to be prescribed for different types of occupier. Scottish power is expressed in different terms, but if DOE make an amendment, a comparable change for Scotland would be required.

2. Matters where the need for legislation may emerge during 1989

2.1 Moves to a common rate poundage

In order to begin moves towards a common rate poundage in Scotland, based on the level south of the Border, it will be necessary to amend the present provisions of the Abolition of Domestic Rates Etc (Scotland) Act 1987 which leave local authorities free to determine their non-domestic rate poundages subject to ceilings prescribed annually by the Secretary of State. Instead the Secretary of State might prescribe directly the poundages charged by individual local authorities. Phasing-in would have to cover both lower rate poundages and the effects of 1990 revaluation (for those facing large relative changes in rateable value). Options for doing this are being worked out, and there could be implications for the pooling of non-domestic rate income and for the distribution of revenue support grant. Depending on Ministers' decisions on this subject it could be necessary to introduce amendments on these lines in the first half of 1989.

2.2 Valuation appeal procedures

The present arrangements are plainly unsatisfactory, with a large number of non-domestic appeals still outstanding three and a half years after the last revaluation. A review has begun of the operation of the system in the light of experience since 1985, and in particular of the new role which was given to the Lands Tribunal for Scotland at that stage. The Scottish Valuation Advisory Council, chaired by Lord Clyde, will consider this at its March meeting and in the light of its recommendations some legislative change may be needed. If new procedures were to have effect in time for the 1990 Revaluation they would need to be introduced in the 1988-89 Session.

2.3 Community charge civil penalties

The Lord Advocate has been invited to consider the adequacy of the present provisions relating to civil penalties, and in particular whether the Registration Officer has power to revoke penalties once imposed, in particular in the light of new information which may

suggest that an individual had a reasonable excuse. If deficiencies are identified it would be undesirable for amendments to be made at the present time, when the community charge registration process and appeals associated with it are still contentious. Amendments might, however, more appropriately be brought forward during the later stages of the Bill (ie some time after 1 April 1989).

3. Possible minor amendments to the Abolition of Domestic Rates Etc (Scotland) Act 1987

3.1 Section 13(1) - Joint owners

Section 13(1) of the 1987 Act (as amended by the 1988 Act) provides that the community charges register must specify "the name of every person liable to pay any of the community charges in the registration area". In the case of joint owners of standard charge premises therefore the Act requires that the register show the name and address etc of all such owners. Registration officers have indicated however that they have been proceeding on the assumption that it will be sufficient to record one name and address only and to indicate the existence of other joint owners etc by inserting alongside the one name recorded the words "and others". The Registration Officers' computer systems do not have the capacity to hold the names and addresses of all persons who are jointly and severally liable for the standard and collective community charges and that they are therefore unable to comply with the letter of the statute. An amendment is needed to reconcile the apparent conflict between what is required and what is possible.

3.2 Section 18A

Although it is intended that Registration Officers should use the powers conferred by section 18A of the 1987 Act (as inserted by the 1988 Act) to seek information from individuals about themselves, it has been pointed out that, as drafted, the provision would allow Registration Officers to seek information about people from their neighbours. It is undesirable that this possibility should exist and an amendment is required.

3.3 Section 20(5) - Inspection of Extracts from the register

Section 20(4) of the 1987 Act (as substituted by the 1988 Act) empowers the Secretary of State to make regulations requiring Registration Officers to make extracts of the register; and section 20(5) provides that such regulations may prescribe that the extract shall be made available for inspection by the regional or islands council. Although there is an implied duty on Registration Officers to hand the extract over to the regional or islands council, there is no explicit provision in the Act - nor an explicit power to include such provision in regulations - requiring them to do so. Moreover, the Registration Officers have expressed the view that responsibility for making the extract available for inspection should rest with them rather than with the regional and islands councils.

3.4 Section 20A - Anonymous Registration

New section 20A of the 1987 Act (as inserted by the 1988 Act) provides for the exclusion from the public part of the register of

entries relating to persons who are at risk of physical violence. Unlike the anonymous registration system being introduced in England and Wales, however, it does not provide for the exclusion from the register of entries relating to people other than those actually at risk of violence if their inclusion might give away the whereabouts of the latter. For example, while it provides for the exclusion of the entry relating to the battered wife it does not provide for the exclusion of the entry relating to her 18 year old son who is living with her.



MP

ST. ANDREW'S HOUSE
EDINBURGH EH1 3DG

CH/EXCHEQUER	
REC.	22 DEC 1988
ACTION	CST
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	22 December 1988

✓ 22/12

The Rt Hon Nicholas Ridley AMICE MP
Secretary of State for the Environment
2 Marsham Street
LONDON
SW1P 3EB

Dear Nick,

HOUSING AND LOCAL GOVERNMENT BILL: SCOTTISH PROVISIONS

I wrote on 8 December enclosing a list of provisions on the community charge and rating systems in Scotland which I suggested might be included in this Session's Housing and Local Government Bill. This letter seeks your agreement, and that of E(LF) and (L) Committees, to the extension to Scotland of two more of the housing measures you will be including in this legislation.

It has already been agreed that Scottish provisions on the abolition of the Home Loan scheme will be included in the Bill, and we have also agreed the extension to Scotland of the provisions you propose to widen the scope of the housing mobility schemes. It would be helpful, however, if we could join with you also in making provision on funding agency services, and in clarifying authorities' power to dispose of all of their housing stock.

In Scotland, as in England and Wales, neither I nor local authorities have any specific powers to assist agency services schemes. While there has been no challenge to date, I should like to join you in clarifying the position by providing clear powers both for myself and local authorities to fund appropriate bodies in this field.

Secondly, I too would like to remove any doubts on whether an authority can legally dispose of all its housing stock. I would welcome your agreement, therefore, that the provisions you are bringing forward designed to achieve this clarification in England and Wales should be extended also to cover Scotland.

I am copying this letter to the Prime Minister, and to members of E(LF) seeking agreement to these additional proposals for legislation; to the Lord President and Members of L Committee seeking agreement to including appropriate provisions in the Housing and Local Government Bill; and to David Waddington and Sir Robin Butler.

*Yours ever,
Malcolm Rifkind*

MALCOLM RIFKIND



mp

2 MARSHAM STREET
LONDON SW1P 3EB
01-212 3434

My ref:

Your ref:

The Rt Hon Malcolm Rifkind QC MP
Secretary of State
Scottish Office
Dover House
Whitehall
London
SW1

CH/EXCHEQUER	
REC.	29 DEC 1988
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22 December 1988

Dear Secretary of State

LOCAL GOVERNMENT AND HOUSING BILL

Thank you for your letter of 8 December seeking agreement to the inclusion in this Session's proposed Local Government and Housing Bill of a number of further amendments to your community charge and rating legislation.

As you say, I propose to use the Bill to effect certain changes to the Local Government Finance Act 1988, and one of those already identified has GB-wide applicability. Faced as you are with the need similarly to correct technical deficiencies in the Scottish legislation, I am happy for you to use the Bill for this purpose. I must, however, sound a note of caution.

As you know, the scope of the proposed Bill is very wide and includes a number of essential items in the housing and local government fields. There is already more than enough material to go into the Bill - which is shorter than originally envisaged - and I have been, and continue to be, under great pressure from John Wakeham to hold it to its present proposed length of around 120 clauses. The inclusion of amendments to the Local Government Finance Act is unavoidable, given the need to bring forward necessary provisions left out of the Act originally only because of time pressures or to put right defects identified as we begin to make the regulations necessary for the introduction of the new system. But, aside from unforeseen policy changes, only those amendments which are essential to the effective operation of the community charge, uniform business rate and new grant provisions will be made. There can be no question of taking up room in the Bill with changes which are not essential; and I am particularly concerned that Parliamentary time should not be spent re-fighting battles over our community charge proposals at a time when there is publicity enough as a result of the start of the system in Scotland.



I believe it is imperative, therefore, if we are to meet the tight timetable for the Bill and to maintain as low a profile for changes to the Local Government Finance Act provisions as their substance deserves, that you keep your amendments to the minimum necessary to make your legislation work. Subject to that proviso, I am content that you should establish a foothold in the Bill as introduced, leaving the majority of the amendments to be brought forward at a later stage - although this is something on which the business managers will no doubt have a view.

As to the specific provisions annexed to your letter, my officials will be contacting yours to discuss the detail. In particular, I know that they are already in touch about your proposed E(LF) paper on arrangements for moving towards a common non-domestic rate poundage.

I am copying this letter to Prime Minister, to members of E(LF) and L Committees, to David Waddington and to Sir Robin Butler.

Yours sincerely
NR

NR NICHOLAS RIDLEY

*(approved by the Secretary of State
and signed in his absence).*



2 MARSHAM STREET
LONDON SW1P 3EB
01-276 3000

My ref:

Your ref:

The Rt Hon Malcolm Rifkind QC MP
Secretary of State
Scottish Office
Dover House
Whitehall
LONDON
SW1A 2AU

CH/EXCHEQUER	
REC.	12 JAN 1989
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12 January 1989

MP

Dear Malcolm

Thank you for your letter of 22 December seeking agreement to the extension to Scotland of two more of the housing measures to be included in this Session's proposed Local Government and Housing Bill.

As I explained in my letter of 22 December, I am under great pressure to keep down the size of this Bill. However, it does seem sensible that the two particular provisions to which you refer - the declaration that housing authorities are not required to keep a housing stock, and a specific power to assist agency services schemes - should be extended to Scotland. I am therefore content for them to be added to the Bill, if necessary by way of Government amendment.

In respect of all the Scottish provisions that we have agreed should be included in this Bill, your officials should ensure that they instruct the Lord Advocate's Department to draft the measures in consultation with Parliamentary Counsel.

I am copying this letter to the Prime Minister; to members of E(LF); to the Lord President and members of L Committee; to David Waddington and to Sir Robin Butler.

Nicholas Ridley

NICHOLAS RIDLEY

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PRIVY COUNCIL OFFICE
WHITEHALL, LONDON SW1A 2AT

23 January 1989

John Wakeham

Dear Malcolm,

LOCAL GOVERNMENT AND HOUSING BILL : SCOTTISH PROVISIONS

You wrote on 8 and 22 December about the inclusion of Scottish provisions in the Local Government and Housing Bill, and we had a word about this at our meeting on Wednesday 18 January. I have also seen Nicholas Ridley's letters to you of 22 December and 12 January.

I am content with the general strategy of including in the Bill on introduction the minimum provisions that would be required to establish scope for the further material which you may wish to bring forward at a later stage. I note that, in any event, it will be necessary to establish scope for the essential provisions which are required in relation to the Scottish community charge.

A judgement on how much further material can be incorporated will need to be taken in the light of progress on the Bill. In particular, we will have to keep a very careful eye on the implications for the timetable motion, for similar reasons to those which we discussed on Wednesday in relation to the Water Bill. I should be grateful, therefore, if you would keep in close touch about the handling of the Scottish provisions which you would wish to include in those Bills.

I am copying this letter to the Prime Minister, members of E(LF) and L Committees and Richard Luce and to Sir Robin Butler, First Parliamentary Counsel and the First Parliamentary Draftsman for Scotland.

John Wakeham

JOHN WAKEHAM

The Rt Hon Malcolm Rifkind QC MP
Secretary of State for Scotland
Scottish Office
Dover House
Whitehall
London
SW1A 2AU

CONFIDENTIAL

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WELSH OFFICE
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Oddi wrth Ysgrifennydd Gwladol Cymru

The Rt Hon Peter Walker MBE MP

From The Secretary of State for Wales

CT/4064/89

26 January 1989

Dear Secretary of State

LOCAL GOVERNMENT AND HOUSING BILL

I am concerned that it has not been possible to include all of the housing provisions we would have wished in the Bill before its introduction and that some essential provisions, such as Group Repair and Minor Works Grants, will have to be introduced by amendment.

Group Repair in particular is essential if we are to continue with the very substantial progress we have made with area improvement, especially by the use of enveloping techniques.

The Bill revokes the powers local authorities already have to adopt this approach in Housing Action Areas and whilst it does include provision for Renewal Areas it does not at this stage include the Group Repair arrangements we agreed should replace enveloping. The expectations for Group Repair are rightly very high in Wales and I could not accept a situation where there was any danger that this would not be a feature of the new arrangements. It is essential that we can give assurances that these will be introduced by Government amendment at a very early stage.

/The "Minor...

The Rt Hon Nicholas Ridley MP
Secretary of State for the Environment
2 Marsham Street
LONDON
SW1P 3EB

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The "Minor Works Grants" were as you know also widely welcomed and will I am sure be a cost effective and socially desirable arrangement which will be of particular benefit to the elderly. I have no doubt that we will be asked for assurances that this too will be introduced by early Government amendment.

I know that there are a number of other housing provisions which will now have to be included by amendment but, bearing in mind the timing of the Bill and likely need for a guillotine motion, I hope that we can agree that in particular Group Repair and the Minor Works Grants must be regarded as a priority.

I am copying this to members of E(LF) and H Committees, David Waddington and to Sir Robin Butler.

Yours sincerely

Keith Davies

Approved by the Secretary of State
and signed in his absence.

13 FEB 1989



[Handwritten signature]

ST. ANDREW'S HOUSE
EDINBURGH EH1 3SX

FINANCIAL SECRETARY	
REC.	13 FEB 1989
2	Mr S. Wood
	PPS, CST,
	Mr Betenson
	Parly Clerk.

The Rt Hon Nicholas Ridley AMICE MP
Secretary of State for the Environment
2 Marsham Street
LONDON
SW1P 3EB

13 February 1989

Dear Nicholas,

**LOCAL GOVERNMENT AND HOUSING BILL
CONSULTATION FORMULA**

Following the discussion at 'L' Committee on 31 January, it was agreed that for the introduction print of the Bill the consultation arrangements for Scotland should be on the same footing as England and Wales, but that an amendment would be introduced at a later stage to reinstate the different Scottish provision if I decided, on reflection, that this was required.

As you know, I had sought the Lord Advocate's views on the change in formula and its implications for Scotland. I now have his advice which, I understand, has been copied to your officials. In his view, the risk of legal challenge in Scotland would be increased if I were to adopt the new formula. Although he does not regard the risk as very significant, he judges that it may increase if I could be shown to be exercising my discretion to consult too restrictively by, for example, continuing my established practice of consulting only COSLA. Since the background to and reasons for the change in wording as explained in your letter of 13 January do not obtain in Scotland, he advises that the preferable course is to have separate Scottish provision.

In the light of this advice and the agreement reached at 'L' Committee, I propose therefore to bring forward amendments to Clauses 23(3) and 123(6) of the Bill to make separate Scottish provision for consultation. Since I would defend this, if necessary, by pointing to the different Scottish circumstances - in particular the fact that we have only one local authority association which represents all local government interests in Scotland and which it is, and will continue to be, my normal practice to consult on matters affecting such interests - I do not imagine this should cause much difficulty. The difference in cross-border circumstances is an argument which is frequently used and generally accepted by the House. I shall ask my officials to liaise with yours on the question of when these amendments might best be introduced.

Copies of this letter go to John Wakeham and Members of 'L' Committee.

ours ever,
Malcolm Rifkind

MALCOLM RIFKIND



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01-276 3000
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[Handwritten signature]

My ref: LONDON SW1
Your ref: 01-276 3000

The Rt Hon Peter Walker MBE MP
Welsh Office
Gwydyr House
Whitehall
LONDON
SW1

CH/EXCHEQUER	
REC.	17 FEB 1989
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TO	

16 February 1989

✓ 17/2

Dear Peter

Thank you for your letter of 26 January about the omission on introduction of the Local Government and Housing Bill of those provisions relating to group repair and minor works, to which you attach particular importance.

I agree these are essential, and Parliamentary Counsel has been asked to give priority to them, together with adaptations for the disabled, in completing drafting those provisions to go in Part VIII which could not be done in time for introduction. Clearly we must table Government amendments to cover these issues as soon as it is feasible to do so.

I am copying this reply to members of E(LF) and H Committees, to David Waddington and to Sir Robin Butler.

I made it clear on Tuesday in the debate that he would be making these amendments

NICHOLAS RIDLEY

Nicholas Ridley