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PRIME MINISTER

Legislative Programme 1981-82
(C(81) 22 and 23)

BACKGROUND

The Queen's Speeches and Future Legislation Committee (QL) have considered a total of 70 bids (including 50 main programme Bills) put forward by Departments for Bills for next Session's legislative programme. The Annexes to the Home Secretary's memorandum (C(81) 22) list the 22 Bills which QL recommended for inclusion in the main programme (Annex A), together with 5 contingent Bills (Annex B), 8 Bills for inclusion if they are judged suitable for Second Reading Committee procedure in the Commons (Annex C) and either 4 or 5 Scottish Bills to be handled in Scottish Grand Committee (Annex D). Annex E lists those bids for programme Bills which QL did not accept, but which have not so far been withdrawn by the Ministers concerned. Details of each of the Bills listed are given in the schedules attached to C(81) 23.

2. QL have had to strike a balance between a number of not always compatible considerations:-

- (i) The legislative time available in a Session of normal length with the minimum of spillover in the autumn of 1982;
- (ii) The existence of a number of Bills either earmarked last year for the 1981-82 programme or dropped from the current Session's programme because of lack of time.
- (iii) When Bills can realistically be ready for introduction - have the relevant policies been worked out and approved by Ministers?
- (iv) The need for a reasonable stock of Bills suitable for early introduction in the Lords.
- (v) The desirability of forwarding the Government's wider economic aims while giving some social policy content to the programme.

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3. The Home Secretary stresses the need for the orderly preparation of legislation at all stages and, in particular, for the timings given in C(81) 23 to be observed.

HANDLING

4. You will wish to invite the Home Secretary to introduce C(81) 22. The Chancellor of the Duchy of Lancaster will be able to say how he sees the proposed programme from the point of view of Commons business next session, and the Lord President can confirm that the proposals include an adequate number of Bills suitable for fairly early introduction in the Lords; seven of the proposed main programme, and most of the suggested Second Reading Committee, Bills fall into this category.

5. You may find it convenient to dispose first of the essential and contingent proposals in Annexes A and B respectively of C(81) 22. QL accepted all 12 bids in these two categories. Most of the essential Bills raise borrowing limits. The idea of a composite "borrowing limits increase" Bill has been considered and rejected in the past: is it worth reconsidering, or would it create a precedent which you would prefer not to set? The bid for the Co-operative Development Agency (Amendment) Bill was very late. In the light of further information supplied by the Secretary of State for Industry the Home Secretary has suggested that this Bill should be moved from the essential to the contingent list. If the Secretary of State is willing to accept this, these two lists can be taken as agreed. The Canada Bill seems likely to be needed this Session, but remains contingent for next Session.

6. You may then wish to deal with, and get out of the way, the Scottish and Second Reading Committee proposals. The Lord President has agreed to find time in the Lords for the first four Scottish Bills listed in Annex D, and for the fifth (Police (Scotland)) to be introduced if the pressure of business in the Lords permits. All these Bills should be suitable for Scottish Grand Committee procedure in the Commons, so the demand on Floor time will be minimal. The Secretary of State for Scotland can confirm that he is content. The Second Reading Committee list has been substantially agreed in the course

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of the QL discussions, though the Secretaries of State for Education and for Trade would have preferred their Superannuation Act 1972 Amendment and Merchant Shipping (Liner Conferences) Bills respectively to have been included in the programme category.

General Discussion

7. You might next turn to the overall size and balance of the list of programme Bills recommended in Annex A, bearing in mind that time will have to be found for 6 or 7 essential Bills and for contingent and unforeseen Bills. The need to reduce public expenditure could create a demand for urgent legislation. You may nevertheless wish to press the business managers on whether it is not too cautious to provide for a maximum of only 21 or 22 main programme Bills, especially since most of the essential Bills should be short and straightforward, while a fair number of the 15 programme Bills are unlikely to be controversial in party political terms. There were 26 main programme Bills in the 1980-81 programme approved by the Cabinet at this time last year. There were a number of subsequent additions and deletions, and no progress will be made with the Petroleum and Continental Shelf Bill. The final total for this Session will be 28 (29 if there is a Canada Bill). That number has proved manageable in the Commons despite the late start to the Session. In the Lords a spillover of 3 - 4 weeks in October seems likely. Is the avowed aim of not having a spillover in 1982 a realistic one?

8. In the light of the views of the business managers, the Cabinet will need to decide whether they can safely plan on the basis of, say, 25 main programme Bills rather than 22.

9. Before looking at individual proposals you may also wish to invite the Cabinet to consider the political impact of the programme. It is not very attractive in political and Parliamentary terms. But QL do not in practice "tout for business"; they work only on the basis of firm departmental bids. Would it be possible to add one or more of the Bills mentioned, without supporting particulars, in paragraph 7 of C(81) 22 - competition policy; local government finance; trade union law. The Chancellor of the Exchequer and the Secretary of State for Industry are among those who may have views on the

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general content of the programme, and the Secretaries of State for Trade, for the Environment and for Employment will have views on these three suggestions. What would be the possible timetable for policy decisions on either rating reform or trade union law? Even if it would not be possible to have radical proposals for rating reform ready, are we likely to need legislation to limit local authority spending or rate increases?

see also note below from John Hoskyn on T.U. law.

Particular Bills

10. You will wish to avoid detailed discussion of all the programme Bills recommended in Annex A. There may however be a need to delete one or two to make room for others in Annex E. The least popular could be the Insolvency Bill, but the Secretary of State for Trade and the Lord President of the Council will wish to obtain the saving of 570 staff. The Mental Health (Amendment) Bill might be vulnerable, especially since the policy on certain provisions cannot be settled in advance of a Strasbourg judgment, but, as the Home Secretary and Secretary of State for Social Services will argue, it provides a social element to the programme and is an overdue response to Lord Butler's Royal Commission.

11. The Cabinet will need, however, to look briefly at each of the Bills listed in Annex E, to see if, bearing in mind their state of preparation, any of them can be added to the programme, viz:-

(a) the Secretary of State for Education believes that unless the Further and Higher Education Bill is enacted next Session it will have to be abandoned for the rest of the present Parliament. But is there any realistic chance of policy agreement being reached and consultations being completed in time for introduction in January 1982, as forecast in C(81) 23? The Home Secretary may wish to comment as Chairman of H Committee;

(b) the Gas (Industrial and Commercial Supplies) and Energy (Miscellaneous Supplies) Bills are arguably more central to the Government's economic and industrial strategy than most of the Bills listed in Annex A. Provision has, however,

see minute from Mr Howell below



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already been in the programme for two essential Department of Energy Bills as well as for the postponed Petroleum and Continental Shelf Bill. Is the Secretary of State for Energy confident that his Department (whose previous record on the handling of legislation has not been impressive) has the resources to cope with the preparation and passage of four or five major and controversial Bills in a single Session? Could this be justified in terms of the overall political and economic balance of the programme? Neither Bill would be ready for introduction until February. Is that not too late?

(c) the Public Bodies (Management) Bill would make a number of important local government reforms, but was rejected by QL partly on the grounds that after the difficulties with Department of the Environment legislation in the Government's first two sessions it would be unwise to have a second major DOE Bill next Session (the Housing Bill, because of the proposed unified housing benefit proposals, offers scope for much bigger manpower and public expenditure savings). QL were also very sceptical if such a major Bill could be got ready in time. That becomes the more true if major provisions on local government finance were also to be included. The Secretary of State for the Environment, the Chancellor of the Duchy of Lancaster and the Lord President will want to comment. So may the Home Secretary as chairman of QL;

(d) the Health and Social Services Bill was dropped from the present Session on the understanding that time would be found for it in 1981-82. That gives it a strong "moral" claim. It would be largely uncontroversial and, since most of its provisions are already drafted, could certainly be ready for introduction at the beginning of the Session.



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- But it does not carry enough political weight to justify substitution for one of the Bills already in Annex A, and it would have to be treated as a net addition to the programme;
- (e) the Nationalised Industries (Consumers' Councils and Committees) Bill would help to forward the policy of reducing quangos, but its inclusion would give the Department of Trade three main programme Bills, including the highly controversial Insolvency Bill. The Secretary of State for Trade may be able to say how far his objectives in this area could be achieved without further legislation;
- (f) the Duchy of Cornwall Management Bill would be short and intrinsically uncontroversial, though critics of the Royal Family in the Commons would no doubt use it as a further opportunity to air their views. The Chancellor of the Exchequer has already promised the Duchy authorities that a Bill will be introduced when time permits, and will be able to explain the arguments for dealing with the matter next Session.

CONCLUSION

12. You will wish if possible to guide the Cabinet to agree on a legislative programme based on the recommendations in C(81) 22 which strikes a reasonable compromise between the policy objectives of departmental Ministers and the anxieties of the business managers. It may be possible to settle on a main programme of about 25 Bills, consisting of:

- (a) the essential Bills listed in Annex A of C(81) 22 except the Co-operative Development Agency (Amendment) Bill; and
- (b) the programme Bills listed in Annex A.

together with one or more of the Gas (Industrial and Commercial Supplies), Health and Social Security and Duchy of Cornwall Management Bills. A Bill on trade union law might find a place on a provisional basis, subject to confirmation before the Recess. A major local government Bill might be noted as a major contender for next Session.



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13. The Cabinet might then formally:
- (a) note the list of contingent Bills in Annex B plus the Co-operative Development Agency (Amendment) Bill; and
 - (b) Agree the list of Second Reading Committee and Scottish Bills in Annexes C and D.

14. You will also wish to guide the Cabinet to note the points about the management of the programme made by the Home Secretary in paragraphs 8 and 9 of C(81) 22, and to agree that L Committee should review the position of any Bill which fails to meet the timetable set out in the Annexes to C(81) 23.

RA

(Robert Armstrong)

13th May 1981

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