

Parliament

Ref. A05343

PRIME MINISTER

Legislative Programme 1981-82

(C(81) 41)

BACKGROUND

On 11 June, the Cabinet provisionally approved a legislative programme for 1981-82 consisting of the 19 main programme Bills listed in the Annex to this brief, together with 5 contingent Bills (including a Bill on the Canadian Constitution), 9 Bills for Second Reading Committee, and 4 Scottish Bills (to be increased to 5 if time in the Lords permitted). They left for further consideration the length of the proposed Housing Bill, the timing of the Gas (Industrial and Commercial Supplies) Bill, and the case for an Insolvency Bill next Session. On 23 June, E Committee invited QL to consider the legislative implications of adding to the Gas (Industrial and Commercial Supplies) Bill any provisions necessary to require the British Gas Corporation (BGC) to dispose of their domestic appliance retailing interests. The memorandum by the Home Secretary (C(81) 41) reports the outcome of QL's further consideration of the outstanding points.

2. The Committee recommend that there should be no legislation next Session on either the appliance retailing or gas purchase and supply activities of the BGC, on the grounds that it could not be drafted in time to meet the demands of an exacting Parliamentary timetable, and would overstretch the resources of the Department of Energy. Since then there have been further discussions between the Secretary of State for Energy and the business managers, as the result of which the former has indicated and confirmed in his letter of 27 July that he would accept the alternative of publishing a White Paper on Gas Purchase and Supply. Time would have to be found, in his view, for legislation on gas appliances.

3. QL also recommend that drafting should proceed on all those provisions of the Housing Bill which have so far received policy approval, but that Ministers collectively should review the scope of the Bill when a complete draft is available:



some members of the Committee thought the Bill should consist only of the provisions necessary to introduce a Unified Housing Benefit, with major staff savings in DHSS. With the agreement of the Secretary of State for Trade, they recommend that the Insolvency Bill, which would be very long and controversial, should be dropped from next Session's programme, and take the view that it is highly unlikely that time will become available later on next Session for the Water Bill, which the Secretary of State for the Environment is having prepared but which is not at present included in the programme. In the light of further representations which you and others have received from the Prince of Wales and the Duchy of Cornwall authorities, they propose that time should be found for passing a Duchy of Cornwall Management Bill if, but only if, it proves possible to take it under Second Reading Committee procedure in the House of Commons.

HANDLING

4. You will wish to invite the Home Secretary to introduce his memorandum. The Chancellor of the Duchy of Lancaster and the Lord President can then say how they see the handling of the proposed programme in both Houses against the background of heightened political controversy which is likely to obtain next Session. What is the balance of the programme between the Lords and the Commons, and between the various parts of the Session? How will that balance be affected by the timing of the major Bills, bearing in mind the inevitable uncertainty about when two of the most controversial Bills - on trade union immunities and local government finance - will be ready for introduction? How will the Bill on the Canadian Constitution be fitted in if, as now seems almost certain, a formal request from the Federal Parliament reaches the United Kingdom in the course of October? Are the business managers satisfied with the present rate of progress in preparing Bills which have a provisional place in the programme?

5. You may then wish to invite the Cabinet to endorse the agreed conclusions reached in QL Committee on the Housing, Insolvency, and Water Bills. The content of the Housing Bill will be affected by the outcome of the Cabinet's earlier discussion on the proposals for the deregulation of certain private sector rents, but does not need to be settled by the Cabinet now. It can be remitted to the



Legislation Committee for further consideration, as QL suggest, when a complete draft of the Bill is available.

6. You might then focus the attention of the Cabinet on the proposed legislation on the BGC. There is a strong expectation among the Government's own supporters that proposals will be brought forward to deal with the Corporation's monopoly on gas purchase and supply. There is a firm public commitment to take any legislative action necessary to compel the BGC to dispose of their retailing interests and any substantial delay in introducing legislation would be considered by the Corporation and the unions as a retreat. The Secretaries of State for Energy and Trade can outline their latest thinking on these subjects and the Chancellor of the Exchequer and the Secretary of State for Industry may also want to comment. The business managers will be able to explain their reservations about attempting to pass four Department of Energy Bills next Session. You may wish to ask them if it would really be essential for a major gas Bill to be ready in time to have a Second Reading before Christmas. If the discussion suggests that the Cabinet is minded to accept the proposal for a White Paper on gas supply without legislation next Session, they will want to consider the implications of a separate Bill on gas appliance retailing. Can the Secretary of State for Energy say how soon such a Bill could be ready? Would it be essential for it to deal with safety matters as well as the disposal of the BGC's retailing interests?

7. The addition of the Duchy of Cornwall Management Bill to the Second Reading Committee list would not add significantly to the time taken by the legislative programme on the Floor of the House of Commons, provided that it was clearly understood that the Bill would not be proceeded with if 20 members or more objected to its going to Second Reading Committee. If the Cabinet agree to the addition of the Bill, you will wish to write to the Prince of Wales explaining the position.

8. Since the Home Secretary's memorandum was circulated, the Secretary of State for Transport has put forward proposals in his letter of 22 July to the Home Secretary for adding powers to control subsidies by local authorities to passenger transport undertakings to his Transport (Financial Provisions) Bill,

which is at present relatively uncontroversial. This Bill could still be ready for introduction at the beginning of the Session, provided that, as he also proposes, the provisions on port finances, which are not yet ready, were transferred to his main Transport Bill, which now seems unlikely to be ready, as promised, by the beginning of the Session. The policy on passenger transport undertakings and their finances will be considered by E Committee on Friday and you will not want to pre-empt that discussion; but the proposed addition to the Transport (Financial Provisions) Bill would seriously affect the balance and timing of the programme. The Chancellor of the Duchy will want to explain the reasons for this on the lines of his letter of 27 July. The Lord President will also want to comment, since a Bill on the lines now proposed would not only cease to be a money Bill but might attract protected debate in the Lords. Is Royal Assent by March 1982 a practical possibility? If not, what are the implications for the Secretary of State for Transport? How would he and the Environment Minister view the alternative of adding the relevant provisions to the Local Government Finance Bill, which will also be concerned with placing restrictions on financial overspending by local authorities. Will the Cabinet have to contemplate a third Transport Bill on this single controversial issue?

CONCLUSIONS

9. Subject to the course of discussion, you will wish to guide the Cabinet:
 - i. to confirm that the Insolvency Bill is to be dropped from next Session's programme, and to note that it is very unlikely that there will be time for a Water Bill;
 - ii. to invite the Legislation Committee to review the scope of the Housing Bill as soon as a complete draft is available;
 - iii. to record firm conclusions on whether time is to be found for legislation on the appliance retailing activities of the British Gas Corporation and whether legislation on the Corporation's supply and purchasing monopoly should be postponed;
 - iv. to approve the addition of the Duchy of Cornwall Management Bill to the Second Reading Committee list, and to note that you will inform the Prince of Wales accordingly; and



- v. to consider whether, and if so how, the new proposals relating to passenger transport activities could be incorporated in the programme if E Committee endorse the policy.

RA

ROBERT ARMSTRONG

28 July 1981

CONQUEROR

MAIN PROGRAMME PROVISIONS APPROVED BY CABINET

Essential (6 bills)

Civil Aviation

Coal Industry (Finance)

Hops Marketing Scheme (Revocation)

Nuclear Industry (Finance) (Amendment)

Shipbuilding (Borrowing Powers)

Transport (Financial Provisions)

Programme (13 bills)

Civil Jurisdiction and Judgments

Criminal Justice

Gas (Industrial and Commercial Supplies)

Housing

~~Industry~~

Local Government Finance

Local Government (Miscellaneous Provisions)

Mental Health (Amendment)

Petroleum and Continental Shelf

Shipbuilding Industry (Disposals)

Social Security

Trade Unions

Transport