

NOTE OF A LUNCHEON MEETING AT NUMBER TEN DOWNING STREET  
ON MONDAY 17TH OCTOBER TO DISCUSS THE FORTHCOMING  
LEGISLATION ON LOCAL GOVERNMENT

Present:           The Prime Minister  
                  Lord Whitelaw  
                  Lord Cockfield  
                  Lord Denham  
                  Lord Bellwin  
                  Sir Keith Joseph  
                  Mr Leon Brittan  
                  Mr Patrick Jenkin  
                  Mr John Biffen  
                  Mr William Waldegrave  
                  Mr John Wakeham  
                  Mr John Gummer  
                  Mr Michael Alison

Mr Patrick Jenkin, introducing the discussion mentioned that, quite apart from difficulties in getting two controversial local government Bills through Parliament, some quite substantial problems would arise after the Bills were enacted. The actual operation of rate capping, for example, would probably result in substantial confrontations with local authorities. Looking at the immediate legislative issues, two matters had to be considered: first, should "Commissioner" powers (for administering rebel authorities) be inserted pre-emptively, - but perhaps provocatively - on the face of the relevant Bill; or should Commissioners be appointed ad hoc in later emergency legislation? If the former course was preferred, the Paving Bill would be the proper place for it. Secondly, what chances were there, realistically, of getting legislation through Parliament in the full White Paper form?

He thought that the full legislation - the Rate Capping and the Abolition Paving Bill - could be got through the House of Commons, but he was doubtful about the Lords. He had to remind colleagues that Rate Capping was deeply offensive to many Local Authorities, including Conservative authorities: obstruction and non-cooperation were inevitable. Already the Association of County Councils had instructed their officials to boycott informal contacts with Department of Environment officials.

The Prime Minister observed that public opinion and precedent both required that the House of Lords should give a clear run to Government Bills which embodied fundamental policy reforms. The spate of major nationalisation Bills which Parliament enacted without hindrance in the early years of the Atlee Government pointed the way.

In considering difficulties in the Lords, Lord Cockfield thought that Second Readings would be secured comfortably but that proposals for detailed amendments would produce many - though not insuperable - difficulties. He thought that the order in which major Bills were taken in the Lords, including the British Telecom Privatisation Bill, was important: if the British Telecom Bill was placed behind the others, an autumn "overspill" sitting might be avoided.

Lord Whitelaw was confident that the Lords would in the end pass the Bills satisfactorily, without extra Life Peers having to be created. But there was no hope of avoiding an overspill sitting - although this was not unacceptable: it would take place in the week of the Conservative Party Conference, for example. It would help, of course, if the Bills could start in the House of Commons before January 1984 (Mr Jenkin indicated that January was the earliest date envisaged).

Lord Bellwin was less sanguine about the fate of the Bills in the Lords. He thought that they would get through, but the risk was they would be so mutilated by amendment as to be unworkable. On balance he thought that it would all come right - but only just.

In considering progress for the Bills in the House of Commons, Mr Biffen thought it essential for the Rate Capping Bill to be introduced in January 1984 at the latest: it was certainly the most sensitive of the two Bills. The Abolition Paving Bill was less contentious, and if introduced not later than March could make the required progress. Both Bills could be got through - probably guillotined - without a Commons spillover being necessary. He favoured the earliest possible application of guillotine procedures.

Mr Wakeham would have preferred the Second Reading of the Rate Capping Bill to have taken place by Christmas 1983 so that the Bill could have gone quietly into Committee as soon as Parliament returned from the recess. Psychologically this would yield dividends: the Committee stage was going to present the most difficult problems of management. Mr Selwyn Gummer underlined the nature of these difficulties: many Government supporters in Parliament were going to be extremely uneasy about the measures. They would be particularly susceptible to arguments from Conservative local government activists - especially in the shire counties - about the unfairness of applying rate capping equally to high spenders and to authorities where rate restraint had long been traditional, and per capita levels of expenditure (eg. on education) relatively low.

He feared that there would be voting waverers, and even the guillotine might be difficult to secure.

The Prime Minister, summing up, said that everything possible must be done to assuage the fears of the low-spending Conservative rural authorities, if necessary by specific fall-back powers to safeguard their expenditures. But at the end of the day, the real issue at stake was prospects of holding or winning seats in London, Birmingham, etc. The more general reserve powers were an essential part of the package of measures, so that the pressure on restraining expenditure could be generally felt throughout local government. The prizes flowing from reform were great, and the Parliamentary session must be extended - indefinitely if necessary - until the measures were enacted.

A handwritten signature in dark ink, appearing to be 'MA' with a stylized flourish extending from the 'A'.

MICHAEL ALISON  
19.10.83