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CABINET

LEGISLATIVE PROGRAMME 1985-86

Memorandum by the Lord President of the Council

When the Cabinet discussed the legislative programme on 28 February (CC(85) 7th Conclusions, Minute 5), the Prime Minister summed up as follows:

"the Cabinet broadly agreed with the programme proposed by the Queen's Speeches and Future Legislation Committee (QL) and listed in Annex A to C(85) 5. There was also a good case for legislation to remove burdens on businesses and to deregulate the private rented sector if policy issues could be resolved. It was possible that a Bill on Royal Dockyards might be justified if the policy could be settled in good time. The position would therefore require to be reviewed as policy on these issues became more certain".

2. Since then, some progress has been made on the policy issues, although there are still considerable uncertainties, especially on the removal of business burdens. In addition, the Cabinet have decided to add a Gas Bill to the programme and to delete the Nationalised Industries and Northern Ireland (Emergency Provisions) Bills. In the light of these changes QL has reviewed the position. (The Annex shows the programme as now agreed.)

THE ADDITIONAL BILLS

3. The most burdensome of the three potential additions to the programme would be a Housing Bill. As initially proposed, it would be very long and have two contentious elements (deregulation of the private rented sector and housing improvement grant changes) as well as other less substantial provisions. A Green Paper has been issued on home improvement; many detailed policy decisions have still to be taken on both major issues and it seems most unlikely that a Bill containing both these measures could be ready for introduction early in the Session. It would therefore join a number of other large and controversial Bills to be introduced later. The results of this situation, especially in the House of Lords, at the end of the Session, are all too easy to predict. Nevertheless, the Committee recognise that if deregulation of the private rented sector is to be achieved in this Parliament, next Session is the only time to do it.

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4. The case for a Dockyards Bill is not so pressing. Although an important measure in its own right, it does not approach the importance to the economy as a whole of legislation on rent deregulation. It would provide for "contractorisation" of the Royal Dockyards, which it is hoped would result in significant savings in their costs, but there is some doubt about the amounts involved.

5. With the Deregulation of Business Bill we are in much less well charted waters. The Group on Deregulation, which is looking at ways in which Government imposed burdens can be removed from businesses, has only just begun its work. The Minister without Portfolio does not expect any conclusions before the end of June. There will undoubtedly be specific recommendations for changes in the existing law, but some of these can be accommodated in Bills already in the programme. The real question is whether a separate Bill is necessary either to bring all these disparate items together to construct new institutional machinery or to ensure that new burdens are minimised. The Committee concluded that the probability and the need for general legislation were not such as to warrant inclusion in next Session's programme.

POSSIBLE SACRIFICES

6. QL is clear that if any legislation is added to the programme, something already there will have to give way. QL has identified five Bills, some or all of which could be deleted if there were to be further additions. They are Education, Wages, Animals (Scientific Procedures), Consumer Goods and Services and either the whole or part of Local Government and Planning. They are all valuable measures. QL's consideration was therefore based on two factors; whether these measures could be delayed for a further year; and whether they would sit more easily in the 1986-87 Session than the Bills for which they would be making room.

7. As to the first factor, two of these Bills (Animals (Scientific Procedures) and Consumer Goods and Services) have had a long gestation period and there is considerable outside pressure for reform in both areas of the existing law. The other three Bills are not responses to such strong external pressures. They do, however, contain important measures which will carry forward Government policy in the field of education, competition and deregulation. They would make aspects of local government more responsive to the needs of the local electorate. They could perhaps wait for a year and be better Bills as a result. Naturally there would be political repercussions from a delay, but that is true of all these measures.

8. As to the other factor, much depends on the view to be taken of the 1986-87 Session. It will be the last full Session before the next Election; it could either be used for a period of consolidation or to show that the Government had not run out of steam and was continuing to pursue its policies forcefully. On balance, QL prefers the latter view, which implies that Education, Wages and Local Government and Planning would fit better into that Session than Animals (Scientific Procedures) or Consumer Goods and Services.

CONCLUSIONS

9. In coming to a conclusion, QL was conscious of the far-reaching nature of the deregulation of rents and the absolute need for changes to be made next Session, if at all in this Parliament. We felt that inclusion of this legislation should be our highest priority. We were assisted in our consideration by the very helpful proposals made by the Secretary of State for the Environment. Recognising our difficulties, he proposed that the Housing Bill should not contain provisions on the apportionment of rent charges, as originally proposed, and that the right to buy provisions should be reduced in size. He also suggested that his local government legislation should be limited to the need to deal with political advertising by local authorities (Widdicombe) and discrimination on the letting of contracts, with a possibility of need for some strengthening of the law on rate limitation. He suggested that his planning legislation (simplified planning zones and control of hazardous substances) might be added to the Housing Bill, or even proceeded with as separate legislation.

10. After careful consideration and discussion with the Ministers principally concerned, the Committee agreed that room should be found for legislation on deregulation of the private rented sector. They concluded, however, that this must be the limit for legislation on housing. Changes in Home Improvement Grants, apportionment of rent charges and changes in the right to buy should wait. They did however agree that legislation on the limited local government subjects proposed by the Secretary of State for the Environment, and on planning, should proceed. They also accepted the argument put forward by the Treasury that this Bill should include no more than 2-3 clauses to remedy defects in the existing controls over local government capital expenditure.

11. In the light of these decisions, the Committee saw no possibility of adding either a Dockyards Bill or a Deregulation Bill to the programme.

12. The overall effect on the programme of the proposed additions would be to increase its size. This Session's programme is proving by no means straightforward and the Committee was concerned to ensure that next Session's programme, which is already larger than that for 1984-85, should grow no more. In order to accommodate the addition of a Rents Bill, as well as the Gas Bill previously agreed, we therefore concluded that it would be wise to delete two more medium sized Bills from the programme in compensation. The choice was difficult but, in the Committee's view, lay essentially between Education, Wages and Consumer Goods and Services. On balance, and with some regret, we concluded that the first two of these could be deferred more easily than the latter.

13. The Queen's Speeches and Future Legislation Committee therefore recommend that:

- a. A Bill to provide for the deregulation of the private rented sector should be added to the programme for 1985-86.

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b. The Local Government and Planning Bill currently in the programme should be restricted to dealing with:

- i. local government political advertising;
- ii. discrimination on the letting of contracts;
- iii. controls on local government capital expenditure (subject to policy agreement);
- iv. introduction of simplified planning zones;
- v. planning controls for hazardous substances;
- vi. miscellaneous planning changes to improve efficiency.

c. The Education and Wages Bills should be withdrawn from the programme for 1985-86.

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Privy Council Office

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PROGRAMME AS NOW AGREED BY CABINET

ESSENTIAL (4)

- 1. Armed Forces medium
- 2. EC (Portuguese and Spanish Accession) very short
- 3. Crown Agents (Waiver of Interest) short
- 4. Northern Ireland Loans very short

PROGRAMME (20)

- 17. Agriculture short
- 20. Education medium
- 22. Wages medium
- 25. Atomic Energy Authority short
- 25A. Gas long
- 28. Local Government and Planning long
- 34. Commonwealth Development Corporation (Overseas Subsidiaries) very short
- 35. Social Security long
- 38. Animals (Scientific Procedures) substantial
- 39. Shops short
- 41. Public Order medium
- 46. Latent damage short
- 49. Museum of London (Amendment) short
- 50. Housing (Scotland) long
- 51. Legal Aid (Scotland) substantial
- 52. Law Reform (Parent and Child) (Scotland) medium
- 56. Financial Services long
- 57. Consumer Goods and Services medium
- 61. Civil Aviation substantial
- 62. Building Societies long

L indicates suitable for introduction in the House of Lords

UNCONTROVERSIAL (8)

- L 64. Fellowship of Engineering and Further Education Unit Grants very short
- 65. Superannuation (British Council and Commonwealth Institute Pensions) Act (Amendment) very short
- 66. Irish Sailors' and Soldiers Land Trust (Winding Up) short
- L 69. Family and Matrimonial (Miscellaneous Provisions) long but Law Commission drafted
- L 45. Public Trustee and Funds Administration short
- L 70. Land Registration short
- L 71. Regulation of Activities in Outer Space short
- L 72. Trade Marks (Consequential Amendments) short

CONTINGENT (11)

- 5. Sex Discrimination (Amendment) short
- 6. Local Government (Commissioners) short
- 7. Sewerage Charges short
- 8. Private Water Supplies short
- 9. Australia (Request and Consent) medium
- 10. Territorial Sea short
- 11. Arms Control Observers and Inspectors (Immunities) short
- 12. Companies (Companies Registration Office and Charges) short
- 14. British Shipbuilders (Borrowing Powers) very short
- 15. Export Credits (ECGD) medium
- 16. Channel Fixed Link substantial (hybrid)