



Prime Minister

The Lord President and Chief Whip
has that this will be a very ragged
and difficult discussion.

Ref. A085/1524

PRIME MINISTER

They feel that you must exclude Dockyards
and Deregulation, and limit Housing and
Local Government/Planning as proposed, and
drop one or two Bills out of Education, Consumer,
Animals and Water Councils.

If you reach an impasse, the Lord
Legislative Programme 1985-86 President would prefer

(C(85) 14) you referred it back to QL
than accept a programme
which is too large.

BACKGROUND

When Cabinet discussed the legislative programme on
28 February (CC(85) 7th Conclusions, Minute 5) they decided to
leave until later the possible inclusion in the 1985-86
legislative programme of Bills on Housing, Royal Dockyards and
Deregulation of Businesses. The Queen's Speeches and Future
Legislation Committee (QL) were asked to consider these in the
light of further policy developments. Since then, the Cabinet
have decided (CC(85) 15th Conclusions, Minute 6) to add a Gas
Bill to the programme and to delete the Nationalised Industries
and Northern Ireland (Emergency Provisions) Bills. QL have
discussed the possible additional Bills with the Ministers
concerned and also considered ways in which room could be made in
the programme for their addition. Their conclusions are
summarised in C(85) 14. Comments have been received from the
Secretaries of State for Defence (30 May), Employment (3 June),
and Education and Science (3 June) and the Minister of
Agriculture (4 June).

2. The possible additions are:

(a) Royal Dockyards

This Bill would provide for the "contractorisation" of the
two Royal Dockyards at Devonport and Rosyth. It might
provide substantial public expenditure savings as well as a
reduction of 19,500 in public sector employment. Detailed



consultations have begun with a view to a firm decision in the summer. The Bill would not be a suitable candidate for the 1986-87 programme; legislation in that Session would not be enacted in time for action to be taken sufficiently far in advance of a General Election. If legislation cannot be in the 1985-86 Session, therefore, it will have to wait until the next Parliament. (Even legislation in 1985-86 might not be successfully implemented before an Election, particularly against a likely background of threatened repeal by the Labour and Alliance Parties.)

(b) Deregulation of Businesses

The content of this Bill is uncertain. The group chaired by the Minister without Portfolio is not expected to report until July. It will make a number of specific recommendations for changes in the existing law, some, if not all, of which can be incorporated either in Bills which are already in the programme or in secondary legislation. The main purpose of a free-standing Bill would therefore be to set up some statutory mechanism for limiting the amount of deregulation in future legislation and to provide for regular review of existing legislation.

(c) Housing

As originally proposed this Bill would bring together several major elements of Government policy. Reform of Home Improvement Grants would reduce their present complexity and expense and provide better targeting. Deregulation of future private sector lettings would improve labour mobility and the supply of accommodation. Existing tenants would be protected. Proposals relating to improvement areas, the right to buy and the privatisation of local authority estates would help to reverse inner city decay. Disengagement from apportionment and redemption of rent



charges would save a small number of staff. A Bill on these lines would be both large and highly controversial, particularly as far as deregulation of the private rented sector was concerned. Such legislation would not be suitable for the 1986-87 Session since it needs to be implemented well before the next General Election.

In further discussion with QL, the Secretary of State for the Environment accepted that the measures to deal with the apportionment and redemption of rent charges could be omitted and that the provisions relating to the right to buy etc could be reduced in size. He was also prepared to postpone to a later Session certain parts of his Local Government and Planning Bill (already in the programme), principally those relating to increasing competition in the provision of local government services.

Size of the Programme

3. The programme currently contains 32 Bills, of which 10 are long or substantial (ie over 25 clauses) and 7 medium (ie 12-25 clauses). This is greater than the current Session and QL are very worried about the dangers of an initial programme that is too large. Developments in this Session's programme, especially the need to add additional unforeseen Bills (eg Football Hooliganism, Surrogacy Arrangements, Abolition of BNOC) have reinforced their concern to leave sufficient space for next Session's unforeseen additions too. There is also the increasing pressure from backbenchers for Parliament to rise earlier in the summer. QL feel therefore very strongly that any additions to the programme must be balanced by equivalent deletions. (And FLAD this will be reinforced by the news in Mr Jopling's letter of 4 June that his Agriculture Bill will be longer than previously expected.)



QL's Conclusions

4. Despite their concern about the existing programme and the difficulties which will be involved in taking it through Parliament, the Committee recognise the importance of legislation on the deregulation of the private rented sector. They have therefore proposed a Rents Bill which will deal with that item and that item alone in the housing field. The consequence is that, in addition to those items in the Housing Bill which the Secretary of State for the Environment is already prepared to drop, legislation next Session would not include Home Improvement Grants and changes in the right to buy etc. In order to find room for this new Bill, they have accepted the Secretary of State for the Environment's proposals for reductions in the scope of his Local Government and Planning Bill. In addition to a Rents Bill they therefore propose a Local Government and Planning Bill which would deal with the most urgent needs for local government legislation together with the introduction of Simplified Planning Zones and other changes in planning law.

5. The Committee are not satisfied that these changes would in themselves balance out in terms of the weight of the programme and they therefore propose the deletion of two Bills already in the programme - Education and Wages - in order to give time to secure the large number of controversial measures which it contains. The Annex to this brief contains a list of the programme as currently agreed with the particularly controversial or time-consuming measures highlighted.

MAIN ISSUES

6. The main issues are:

(a) whether to add any further Bills to the 1985-86 programme;

*Education - { Control of In-house. 3 Clauses.
Assessment of Performance }*

*Wages - 207
Education*



(b) if so, which Bills to delete in order to maintain the size of the programme at its current level.

7. QL have not supported the inclusion of either the Royal Dockyards Bill or a Deregulation of Businesses Bill. The Secretary of State for Defence can be expected to argue strongly for his Bill, but the Minister without Portfolio (a member of QL) has tacitly accepted the difficulties of including a Deregulation Bill in next Session's programme. The Secretary of State for the Environment will probably argue for the additional inclusion of the Home Improvement Grant changes and changes in the right to buy etc.

8. In order to accommodate the increases, QL has suggested deleting the competition provisions of the Local Government and Planning Bill (which the Secretary of State for the Environment has accepted) and Education and Wages. There may be an element of overkill here. If Cabinet accepts that the legislation on the private rented sector alone should be added to the programme, the deletion of one further Bill, in addition to the truncation of Local Government and Planning, is probably sufficient. The choice is effectively between Education, Wages, Animals (Scientific Procedures) and Consumer Goods and Services. QL have specifically considered the nature of the following 1986-87 Session in this context. If it were to be a Session of consolidation and a relatively low profile, Animals (Scientific Procedures) and Consumer Goods and Services would fit better into that Session than into 1985-86. If, on the other hand, it was intended to be a high profile Session in which the Government continued to push forward their policies, then Education and Wages would sit better than the other two Bills. There are good reasons for not delaying any of these Bills any further, but these are particularly strong in the case of Animals (Scientific Procedures), where legislation has been awaited for many years and the moderate wing of the animal rights lobby is becoming increasingly disillusioned with the Government's promises. The



Home Secretary is very concerned that he will lose their co-operation if there is further delay. The same is true, but to a lesser extent, of Consumer Goods and Services.

HANDLING

9. You will wish the Lord President to introduce his memorandum. Discussion might then centre first on the first two prospective additions: the Royal Dockyards Bill (Secretary of State for Defence) followed by Deregulation of Businesses Bill (Minister without Portfolio). If Cabinet agrees with QL that neither of these two Bills should be included in the next Session you will wish to proceed to the more complex issues surrounding the Housing/Local Government/Planning package. The Secretary of State for the Environment will wish to give his views on the proposed package now put forward by QL. The Secretary of State for Scotland will also have views in this area (although his Housing (Scotland) Bill will be in the programme regardless of the fate of the English Housing Bill).

10. When the scope of the additions is clear, you will wish Cabinet to discuss the consequential deletions (if any). You may wish the Lord President to speak again at this point. The Secretary of State for the Environment, the Secretary of State for Education and Science and the Home Secretary may well wish to defend their threatened Bills. Other members of Cabinet may have views on other Bills which could be deleted. You may also wish to invite the Attorney General to give his views on the drafting position and the Lord Privy Seal on the situation in the House of Commons.

CONCLUSIONS

11. It is essential that the Cabinet reaches a final conclusion about the changes in the legislative programme for 1985-86 if the Bills are to proceed expeditiously.



12. You will wish Cabinet to reach decisions on:

- (a) whether Bills on Royal Dockyards and Deregulation of Businesses should be added to the programme for 1985-86;
- (b) whether Housing legislation should be added to the programme;
- (c) if so, whether it should be limited to action to deregulate new private lettings, or whether it should go wider in particular to include provisions on home improvement grants and right to buy;
- (d) depending on (a)-(c), whether one or more of Education, Wages, Animals (Scientific Procedures) and Consumer Goods and Services should be dropped from the programme to make room, in addition to truncation of the Local Government and Planning Bill.

ROBERT ARMSTRONG

5 June 1985

CONFIDENTIAL

ANNEX A

PROGRAMME AS NOW AGREED BY CABINET

ESSENTIAL (4)

- | | | |
|---|--|------------|
| | 1. Armed Forces | medium |
| L | 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 <i>medium</i> |
| ?L | 20. Education | medium |
| | 22. Wages | medium |
| | 25. Atomic Energy Authority | short |
| | 25A. Gas | long |
| | 28. Local Government and Planning | long |
| L | 34. Commonwealth Development Corporation
(Overseas Subsidiaries) | very short |
| | 35. Social Security | long |
| L | 38. Animals (Scientific Procedures) | substantial |
| | 39. Shops | short |
| | 41. Public Order | medium |
| | 46. Latent damage | short |
| L | 49. Museum of London (Amendment) | short |
| | 50. Housing (Scotland) | long |
| L | 51. Legal Aid (Scotland) | substantial |
| L | 52. Law Reform (Parent and Child) (Scotland) | medium |
| | 56. Financial Services | long |
| L | 57. Consumer Goods and Services | medium |
| | 61. Civil Aviation | substantial |
| | 62. Building Societies | long |

L indicates suitable for introduction in the House of Lords

The figures relate to those in the Annex to C(85)5

CONFIDENTIAL

ANNEX A continued

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 |