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Policy Unit file cc:ST

4 July 1985

PRIME MINISTER

These meetings will, to be true being, be with Nick Owen
as Acting Head of the Policy Unit, with John Redwood
in attendance in a personal capacity.

AT 4/7

At your meeting with John Redwood and myself tomorrow, you may like to discuss this revised version of our earlier note on possibilities for the 1986-87 Legislative Programme. If any of these look attractive, the Policy Unit could work up more detailed proposals.

Nicholas Owen

NICHOLAS OWEN

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LEGISLATIVE PROGRAMME IN 1986-87

Major policy work has now succeeded in putting together a series of measures to help the supply side of the economy, to strengthen law and order, to privatise substantial portions of British industry, and to carry forward our education and welfare policies.

This legislation will take up the bulk of the time in the vital 1985/86 Legislative Programme.

We now ought to be thinking about a range of less dramatic, less weighty and less contentious items which could win us friends and recapture the popular spirit in 1986/87. A lighter Programme would also leave Ministers with more time to present the Government's achievements. But it would be a pity to serve up just a dull programme of old departmental Bills that come forward in Buggin's turn.

How about some of these ideas?

1. Water. Ever-rising water rates cause a great deal of anguish. Privatisation is less contentious than it was three or four years ago. Privatisation - with a guarantee to customers that water rates will rise by less than inflation - is feasible and would have a wide appeal.

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2. Competition. Helping the customer is popular - as with our conveyancing, opticians and transport measures. We need to identify some more from E(CP): for example, simplification of house purchase, removal of some VRAs, liberalisation of licensing laws, greater competition among doctors and dentists. If the Community regulation on car prices fails to deliver competitive prices for British consumers, we may need national legislation, eg to enable car super-markets to develop.

3. Inland Revenue and VAT: a Taxpayers' Charter. The Inland Revenue Inspector and the Vatman remain unpopular figures. They will become more so, the more self-employed there are. Even PAYE is frustrating and incomprehensible to many people, particularly if they are shareholders, insurance policy holders, opt for separate assessments, or get divorced. The Inland Revenue's discretion is enormous and unpredictable. The Green Paper on Personal Taxation will not lead to anything significant for three years. Couldn't we aim to incorporate in the next Finance Bill measures which provided taxpayers with clear, published tax rulings and an accessible complaints procedure, eg via a Taxpayers' Consumer Council?

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4. Village Schools. You have raised this subject yourself. Village schools are still popular, though

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some of them are uneconomic. Could we consider again the idea that villagers should be offered the chance of acquiring their school - perhaps for nothing - and receiving a cash grant per pupil if they are prepared to take on the marginal extra costs entailed in keeping the village school open?

5. Cottage Hospitals. Cottage hospitals are closing, while at the same time Family Practitioners need space for surgeries. Why not allow Family Practitioners to acquire cottage hospitals, on the village school model?
6. Housing. The Nugee Committee is currently reviewing the problems of private sector leaseholders - 2 million people, many of whom cannot buy their freehold, or dispute management companies' charges. Maybe we can give them new rights and freedoms as a result of this review.
7. Right to Buy Vacant Land. Circulars and land terriers alone will not persuade land hoarders in the public sector to release land. Why not a Right to Buy, within a time limit?
8. Conservation. Conservation policy comes back for discussion towards the end of this year. We need something worth doing to reassure some of the Green

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vote at little cost. Long-stop powers to conserve the landscape, and a new Clean Air Act, are possibilities.

9. Charitable Giving and Cultural Activities. To counter the claim of Philistinism, and to tap the growing enthusiasm of a more affluent people to make voluntary donations to good causes, we could look again at the tax and trust régime applying to charitable gifts, educational charities and the like. We need ways of expanding and rejuvenating this sector of activity, whilst associating the Government clearly with such acts of generosity. AT
10. Deregulation - a Charter for the Self-Employed. We could bring together a series of existing initiatives, and perhaps expand them a little, in the fields of venture capital, the Business Expansion Scheme, the Enterprise Allowance, the deregulation initiative, a simplified form of company statement, tax changes mentioned above, into a general drive of support for the job-generating, self-employed sector.

A Legislative Programme of this flavour and with a deft touch would please various groups of people, and would be consistent with our general strategy.