



Prime Minister

You may want to have a word with Mr Pym about this. Do you have any specific comments on the detailed proposals?

I am very much in agreement with the hard President, especially with his

PRIVY COUNCIL OFFICE

WHITEHALL, LONDON SW1A 2AT

views on the number of days (3 or 4) and his idea on 25 November 1981

the relevant committee for the selection of members

MP 26/11

Dear Margaret,

FIRST REPORT FROM THE SELECT COMMITTEE ON PROCEDURE (SUPPLY)

The Chief Secretary to the Treasury, the Chief Whip and myself have been giving consideration to the response to be made to the First Report from the Select Committee on Procedure (Supply).

This Committee was established, on Government initiative, last Session to examine the present procedures for considering and voting on Government requests for Supply. The Chief Secretary to the Treasury and I gave evidence to the Committee earlier this year.

The Committee's First Report is primarily concerned with providing better opportunities for the structured debate of Departmental Estimates, and with getting rid of the present misleading concept of "Supply Days". Its principal recommendations are that instead of the present 29 Supply Days there should in future be 19 "Opposition Days" (with a number of annual debates traditionally taken in Supply time transferred to Government time), and that eight new "Estimates Days" should be introduced, divided up on the basis of recommendations made by a business committee. Helpfully, the Committee have come down against giving select committees any power to amend Departmental Estimates, and against making in order on the Floor amendments to increase individual items of expenditure.

... /In principle,

The Rt Hon Margaret Thatcher MP

In principle, these recommendations are in agreement with the line taken in the Government's evidence to the Committee. There are, however, a number of differences of detail, some substantial.

In particular, the suggestion that there should be eight "Estimates Days" differs considerably from our proposals - I had in evidence suggested the possibility of "three or four" such days. More than this would put at risk Government business.

It would also seem preferable that selection of the proposed subjects for debate on these "Estimates Days" should be in the hands of a committee with a Government backbencher as chairman, rather than a business committee with an Opposition chairman, as proposed in the report. There may be advantage in this task being given to the Liaison Committee of Select Committee Chairmen, which has a strong Government membership and Edward du Cann as chairman.

It will be necessary in due course to debate this report, probably sometime after Christmas. In the first instance, however, and since a number of the Committee's recommendations affect the allocation of Opposition time, it will be necessary to discuss our reaction to the report with the Opposition, and, in particular, to establish their views on the proposed arrangements for "Opposition Days", and on the possibility of some limited trial run of these procedures this session. Michael Jopling accordingly proposes to be in touch shortly with the Opposition Chief Whip. I will then, as necessary, speak to the Government Members of the Procedure Committee and with the 1922 Committee. I attach a schedule indicating the line we propose to take in the discussions with the Opposition.

I am copying this to Cabinet colleagues and to Sir Robert Armstrong.

John L. L.

John L.



FIRST REPORT FROM THE SELECT COMMITTEE ON PROCEDURE (SUPPLY)
SCHEDULE OF RECOMMENDATIONS AND PROPOSED ACTION

Recommendation

- (1) The Government should table the appropriate motion at the beginning of next Session to appoint a Select Committee "to examine the House's financial procedures and to make recommendations".
- Agree.
- (2) (a) The role of the existing departmentally-related Select Committees in relation to the estimates should be advisory rather than functional, and (b) the relevant estimates should be formally submitted to each departmentally-related Select Committee and those Committees should allot some time each session to the examination of their departmental estimates, but the amount of time and depth of such scrutiny should be a matter for each Committee to determine.
- Agree. This is basically a status quo recommendation. Estimates (Main and Supplementary) are at present informally submitted by the Treasury to select committees.
- (3) Initially eight "Estimate Days" should be allocated specifically for consideration of and voting on the estimates.
- It is proposed to suggest three "Estimates Days" as an experimental start. Eight is excessive and unacceptable from a Government time viewpoint.
- (4) An Estimates Business Committee, nominated by the Committee of Selection, should be appointed with similar powers to those given to the Business Committee on Bills under Standing Order No 43.
- It is proposed to suggest that it might be preferable for this function to be undertaken by the Liaison Committee of Select Committee chairmen, chaired by Mr du Cann. Any such committee would need to operate to a very tight time schedule especially if it could only be established after an Estimates Day had been announced and the relevant estimates were available. Time for select committee views would need to be taken into account. Procedure should provide for any votes on Estimates Days to be taken together at 10 pm.



- (5) When the estimates are discussed on the Floor of the House neither amendments to increase individual items nor motions stating that "in the opinion of the House" increases in a particular Vote should be made should be in order. Agree.
- (6) Any change in the present two-tier structure for granting money should wait until the completion of the full-scale review of the House's financial procedures. Agree.
- (7) (a) Proceedings on Consolidated Fund Bills should be formal, (b) three full days plus one Friday should be allocated to backbench Members for debates limited to one-and-a-half hours per topic, (c) proceedings on the three full days should be so arranged that two of the days continue until midnight and the third is open-ended, and (d) any motion providing for the dates of recesses should be debatable for an hour and a half. (a) seems uncontroversial. (b) and (c) might perhaps be for further discussion with the Opposition. It would seem necessary to ensure that the third day is not open-ended. (d) Accept. 1½ hour recess debates would be a considerable improvement on the present open-ended position.
- (8) (a) 19 days each session should be allotted by Standing Order as Opposition days, (b) the days traditionally provided in Supply time for discussion of the armed services, EEC matters, Select Committee reports and Scottish affairs should be provided in Government time, and (c) the decision on the use of the 19 days should remain with the official Opposition, subject to any arrangement it chooses to make with the smaller parties. (a) If the Opposition agree, this would seem as good an outcome from a Government viewpoint as could have been hoped for, especially if there were to be only three "Estimate Days". A procedural reservation would need to be made to permit the necessary Supply business to be taken on these Opposition days. (b) Agree. (c) Agree.



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PRIVY COUNCIL OFFICE
WHITEHALL LONDON SW1A 2AT

14 January 1982

Dear Michael,

FIRST REPORT FROM THE SELECT COMMITTEE ON PROCEDURE (SUPPLY)

You wrote to me on 4 January about the proposed Government response to the report of the Select Committee on Supply Procedure, referred to in my letter of 25 November to the Prime Minister.

The scrutiny of Departmental Estimates is already within the terms of reference of the Departmental select committees, and they have always been in a position to allot time to the consideration of Main and Supplementary Estimates if they chose to do so. The only change in this respect which would be brought about by the adoption of the proposals made in the report would be that the introduction of a certain number of 'Estimate Days' on the Floor of the House might lead to some Departmental select committees giving the scrutiny of Departmental Estimates a higher degree of priority.

As regards pressure for select committees to be given power to amend Departmental Estimates, this question was considered by the Select Committee on Supply Procedure, who rejected the idea. I doubt whether it has yet been finally scotched, but the report's recommendations should prove a considerable help in this respect.

In your third paragraph you suggest that there might be scope for saving Parliamentary time if statutory borrowing limits could be progressively dispensed with.

The Rt Hon Michael Heseltine MP
Secretary of State for the Environment
2 Marsham Street
LONDON
SW1P 3EB

Cont .../.

Apart from the discipline which the periodic need to promote legislation varying their external financing limits imposes on public sector bodies, such legislation does of course also give Parliament a periodic opportunity to debate the financial affairs of such bodies. And since provisions raising borrowing limits are normally linked with other legislative changes affecting the industry concerned, there is not always much additional expenditure of Parliamentary time.

There may, however, be occasions when Parliament has already had adequate other opportunities for debating the body concerned, and where it is considered that the introduction of, for example, some form of order procedure instead of primary legislation, would not weaken financial control. Any such justified reduction in the pressures on the legislative timetable would, of course, be welcome.

I am sending copies of this letter to Cabinet colleagues and to Sir Robert Armstrong.

Mr etc

Francis

FRANCIS PYM

14 JAN 1982





✓
MHP

2 MARSHAM STREET
LONDON SW1P 3EB

My ref: H/PSO/19781/81

Your ref:

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De P...

FIRST REPORT FROM THE SELECT COMMITTEE ON PROCEDURE (SUPPLY)

Thank you for sending me a copy of your letter of 25 November to the Prime Minister.

Whilst I take the point that Departmental Select Committees have hitherto received pre-publication copies of Main and Supplementary Estimates, I cannot pretend to be over~~ly~~ enthusiastic about the suggestion that they should ordinarily allot time each Session to their scrutiny. I would see this leading on to pressure for Committees to be given power to amend Estimates and could in any event add to the burden on Departments in servicing Committees.

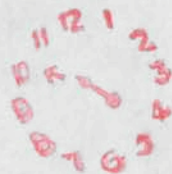
On the question of making time available for "Estimates Days", I do wonder, given that it is questionable whether overall statutory borrowing limits are an effective discipline on statutory corporations, whether we might not make Parliamentary time by progressively doing away with such limits and with the need to table orders, or primary legislation, to raise them.


I am sending copies of this letter to Cabinet Colleagues, and to Sir Robert Armstrong.

Yours ever
Michael Heseltine

MICHAEL HESELTINE

- 6 JAN 1962





Paulwood

7 December 1981

First Report from the Select
Committee on Procedure (Supply)

The Prime Minister has seen the Lord President's letter of 25 November.

She is content with the line which the Lord President proposes to take in discussions with the Opposition. In particular, she strongly supports his views on the number of "Estimates Days", and his ideas about the choice of a Committee to select subjects for debate on these days.

I am sending copies of this letter to Murdo Maclean (Chief Whip's Office) and David Wright (Cabinet Office).

M A PATTISON

David Heyhoe, Esq.,
Lord President's Office.

BK



10 DOWNING STREET

PRIME MINISTER

You looked at this paper from Francis Pym about the Select Committee on Procedure, but you did not say whether you wanted to comment on any of his proposals in the Annex.

There is now some pressure on these matters: they were raised on the Business Statement today.

MAP

3 December 1981