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PRIME MINISTER**POSSIBLE COMMUNITY CHARGE LEGISLATION: IMPLICATIONS FOR LEGISLATIVE PROGRAMME**

1. This minute reflects the outcome of my consideration with the Lord Privy Seal and the Chief Whips of both Houses of the implications for the legislative programme and the management of business generally if we were to decide that primary legislation was required to make adjustments to the community charge. The assumptions we have made are consistent with those used in Annex B of the Cabinet Office paper to be taken at your meeting on Thursday 17 May. Our recommendation, which that Annex reflects, is that it would be impractical to try to rush through the drafting and enactment of such a complex and contentious measure this Session. Instead, we think it would be far preferable to plan now the steps which would be required to enable us to introduce such a Bill, if necessary, at the very beginning of the next Session; and to start that Session, and adjust the amount of business we require to get through, so that community charge legislation can proceed smoothly and swiftly through both Houses in time to have effect, as required, comfortably before the start of local authority financial year 1991-92.

2. This minute sets out in detail our plans for achieving that and the action we propose should be taken now, on a contingency basis, to pave the way for later decisions and announcements.

Timing Requirements

3. Precepting authorities are required to have notified their precepts for the financial year by 1 March. Charging authorities (ie districts and boroughs) are required to have made their budgets by 11 March. Our target should be to have any new legislation imposing income limitations enacted and in force comfortably before the end of February. We have looked at previous emergency legislation on local government finance and conclude that we could not reasonably expect to take a Bill of this nature through in less than roughly 6 weeks in each House. Working back, that means we would need to complete the Commons stages in December in time to have the Bill presented in the Lords before Christmas, so that it could have its second reading there immediately the Lords resume after the Christmas Recess. That in turn means that we would have to have the State Opening no later than Tuesday 6 November. It would indeed be safer to aim for a State Opening on Tuesday 30 October and our contingency plans provide for that.

Implications for Business this Session

4. We have a heavy programme this Session, and pressure is building up in the Lords. The Lords Business Managers calculate that, on the basis of a State Opening on 6 November and sitting during the Party Conference, they have a shortfall of time of 9.5 days even if the War Crimes Bill falls at Second Reading and legislation on the community charge and rating treatment of caravans is deferred for inclusion in the local government finance legislation next Session. Even on their most optimistic view of the time the outstanding business might take, the Lords Business Managers cannot see that it would be possible to have the State Opening before 13 November.

5. The conclusion which, as Business Managers, we draw from this is that, if events unfold in this way, we would need to be prepared to drop one major Bill at present before the House of Lords with a view to reintroducing it there at the very beginning of the next Session. This need not imply major loss of time, since when the re-introduced Bill returned to the Commons consideration could be guillotined to allow time only for consideration of the changes made by the Lords - replicating the Commons Consideration of Lords Appointments which would have taken place this Session. There are really only two prime candidates for handling this way, the Broadcasting Bill and the Environmental Protection Bill, since none of the other Bills in the programme which have still to be considered by the Lords would yield a sufficient saving of time. I set out below the considerations relevant to deciding whether either of these Bills can be dropped and re-introduced, and which might be chosen.

Broadcasting Bill

5.1. The Bill has just completed its Commons stages. Substantial amendments were made at Commons Report, involving the honouring of undertakings given in Committee, and these improvements to the Bill will ease its passage in the Lords. Nonetheless, the Lords business managers assess a requirement of 13.5 days. They envisage the bulk of the discussion on the Bill being in July and the spillover. Holding back progress on this Bill as part of a contingency plan might draw questioning because of the 'flagship' nature of the Bill, but scheduling Second Reading some time after Whit would prevent the issue emerging for some weeks yet.

5.2. When the Bill was approved by Legislation Committee, no special request was made for enactment by a particular time. Thus the effect of taking the Bill out of this year's programme and reintroducing it in 1990-91, with a guillotine

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in its Commons stages, would probably mean enactment in January 1991 rather than in November 1990. Implementation of the Bill will be a lengthy process. The start date does not appear to be time critical. The Home Office had planned that the Independent Television Commission and the Radio Authority would formally come into being on 1 January 1991. It must be doubtful whether slippage of a month or two would seriously damage the implementation programme.

Environmental Protection Bill

5.3. This Bill has now completed its Commons stages, and substantial Government amendments have been made. The Lords business managers assess a requirement for 12.5 days discussion in the Lords. Second Reading is scheduled for 18 May.

5.4. When the Bill was approved by Legislation Committee enactment by the Summer Recess was requested. DOE's intention was that this would enable early progress to be made on the reorganisation of the Nature Conservancy Council from 1 April 1990. Reintroduction in the Lords next Session would mean delaying enactment until possibly January, and there is no indication that this would fundamentally damage the policy objectives of the Bill.

5.5. There are, however, two drawbacks to delaying Environmental Protection:-

5.5.1. The Bill would be re-presented after the publication of the forthcoming environment White Paper and would provide a vehicle for discussion of the issues raised there. It would be very difficult for the Government to hold the line that this Bill was not an appropriate one to implement at least some of the proposals in the White Paper.

5.5.2. Secondly, together with Town and Country Planning and Local Government Finance this would mean that there were three major DOE Bills running at the same time.

6. We have also considered whether a package of other, smaller Bills might be dropped and re-introduced. This is open to objection on two grounds: there is no satisfactory package which could guarantee the necessary time savings; and it seems preferable to limit the number of Bills to which such exceptional measures are being applied. Accordingly, we conclude that the choice is between Broadcasting and Environmental Protection, and that balancing the arguments set out above, the choice should fall on Broadcasting.

Contingency Planning

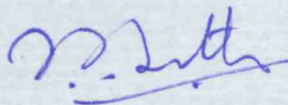
7. There is no need to make a firm commitment at this stage to dropping and re-introducing the Broadcasting Bill, still less a need to take any overt action. The key to satisfactory contingency planning is simply to avoid using up any more Parliamentary time on the Bill, apart from its Second Reading, and deploying the time thus saved to ensure that everything else in the Lords' programme makes the swiftest possible progress. The position will need to be reviewed over the coming weeks, but I hope that we will be able to leave the final decision until we are ready to come forward with the announcement of a package of community charge measures which I assume will be in July. At that stage we would be in a position to announce how we were handling the necessary legislation and its consequences for legislation this Session and the timing of the start of next Session, in a way which would indicate that we had made careful, deliberate and sensible plans and which would help us avoid the accusation that we were taking panic measures.

Next Session

8. The approach indicated in this minute would mean that, apart from the community charge legislation itself, we would need to find room for the reintroduced Broadcasting Bill. The latter would occupy a good deal of time in the Lords before Christmas followed by some brief, but contentious, debates in the Commons. We must not lose sight of our objective of ensuring that next Session's programme does not become overloaded, with a requirement to sit late or have a substantial spillover. This means that we will need to make significant offsetting reductions in the programme we have already provisionally agreed, and I will be reviewing this in QL once the position on community charge legislation is clearer. Final decisions on next year's programme need not be taken until the autumn, but it will be important at some stage to give a clear signal to colleagues that something will have to give, and that they cannot enter into commitments on the basis of the assumption that Bills provisionally agreed will survive in the programme.

Next Steps

9. Pending Thursday's meeting and further discussion of community charge measures, I have consulted no-one other than the Business Managers on the proposals set out in this minute. I do not think we should do so until the way ahead is clearer and would then envisage having a word with David Waddington. In the meantime I am therefore copying this minute only to the Lord Privy Seal and both Chief Whips.



PP

GH

Approved by the Lord President
and signed in his absence.

16 May 1990