

RESTRICTED



PRIVY COUNCIL OFFICE
WHITEHALL, LONDON SW1A 2AT

2 July 1986

Pamie Winter 2

Dear Tony,

DBS
2/7.

The Lord President held discussions yesterday about the handling of the Social Security Bill in the light of the further Government defeat in Committee with your Secretary of State, the Minister for Social Security (Mr Newton) and the Parliamentary Under Secretary of State (Baroness Trumpington) and the Government Chief Whip, Lords.

The Lord President explained that, on the two defeats on 23 June, the margins were relatively narrow and included some Government supporters voting against the Government who would probably not do so next time the matter came up in the House of Lords. So far as concerned the defeat on 30 June, on the making of regulations and the right of appeal against decisions by officials in relation to the social fund, there had been a huge vote against the Government which included many influential crossbench peers. It was highly unlikely that any compromise that could be offered would change the voting intentions of this group.

In discussion of future handling, the Lord President stressed that the Government had to wait for the outcome of the Report Stage on 14 and 15 July. It was crucial at that stage to avoid any further Government defeats which, your Secretary of State said, would be interpreted as a real political setback to the Government's intentions in this area. He accepted the advice of the Lord President and the Chief Whip that any action taken on the three defeats to date would have to be during Commons Consideration of Lords Amendments to the Bill.

So far as the amendment on contributions to rates was concerned, it was agreed that straight reversal was the option to go for. The Lord President and the Chief Whip foresaw little trouble in securing acceptance of a Commons disagreement with the Lords on this point, given a sufficiently strong whip.

On community care for the disabled and others, it might be worthwhile Baroness Trumpington taking soundings on whether some form of compromise (which would have to put the amendment's unworkable scheme on a more practical footing) would be acceptable to enough backers of the original amendment to secure its acceptance. The Lord President stressed, however, the difficulty

Tony Laurence Esq

RESTRICTED

RESTRICTED

of modifying the scheme in any way which might be interpreted by its supporters as weakening the principle of the amendment they had pressed through. The strength of the disabled lobby in the House of Lords should never be underestimated.

On appeals, the Secretary of State for Social Services undertook to explore whether he could produce some concession which was compatible with the discretionary scheme envisaged by the Government but which might be seen as going some way to meet the concerns of the peers backing the amendment.

The Lord President stressed that he and the Chief Whip would do everything possible to secure Lords acceptance of the Bill as returned from the Commons. He was prepared to talk to individual peers if it would help.

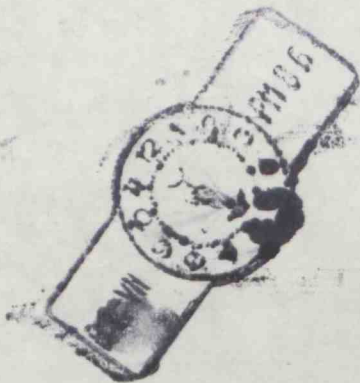
In discussion of the timing of return of the Bill from the Commons, it was thought that more time would probably be needed for the consequences of any amendments in lieu than for straight Commons reversal of any Government defeats in the Lords. The business managers in the Commons had been apprised of the possible implications of further consideration of the Bill for the Commons programme.

I am sending a copy of this letter to David Norgrove at No 10, to the Private Secretaries to the Ministers present, and to David Morris in the Lord Privy Seal's office, Jill Rutter in the Chief Secretary, Treasury's, office, Murdo Maclean in the Chief Whip, Commons', office, and Michael Stark in Sir Robert Armstrong's office.

Yours sincerely

Joan

JOAN MACNAUGHTON
Private Secretary



RESTRICTED