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CABINET

LEGISLATIVE PROGRAMME

Memorandum by the Chancellor of the Duchy of Lancaster and the
Acting Leader of the House of Lords

1. Our legislative programme is making steady progress. We have introduced 40 Bills (excluding Finance and Consolidation Bills), of which 20 will have received Royal Assent by Easter. We foresee no major problems in the Commons although guillotines will be necessary to secure the Housing Bill, the Local Government (Planning and Land) (No 2) Bill and the Social Security (No 2) Bill. The timetable in the House of Lords is, however, seriously congested. This memorandum proposes how we might now proceed.
2. It seems to us wrong in principle to introduce any further Bill without a reasonable assurance that it will reach Royal Assent. To do so adds weight to unsubstantiated allegations that we have not planned the programme properly. The time of the House of Lords will be fully occupied by Bills already introduced and by the Social Security (No 2) Bill. We can add to the programme only Bills dealing with financial matters which will not take time in the Lords. Apart from the Finance Bill, they would be:

Coal Industry Bill
Port of London (Financial Assistance) Bill

and if, but only if, restricted to financial provisions and approved by
Legislation Committee:

Energy Conservation Bill
Films Bill

We would, if colleagues agree, be ready to accept a one-clause Bill on the Finances of the White Fish Authority which we are assured is not controversial.

3. We recognise the arguments put by the Lord Chancellor for adding the Contempt of Court Bill to the programme but we do not believe time can be found for its passage.

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4. If these proposals are agreed the House of Lords will still have to deal with nine major Bills that are currently before the Commons and with the Social Security (No 2) Bill. Cabinet has previously envisaged that Parliament would rise for the Summer Recess not later than 8 August. On this basis it should be possible to secure the passage of six or seven of the major Bills, leaving three or four to be dealt with in October. Colleagues should note that the House of Commons cannot rise for the Summer Recess before the Lords. Time has to be allowed for Commons consideration of any Lords amendments and for Royal Assent. It is important, therefore, that the number of Government amendments tabled to Bills in the House of Lords be kept to the minimum.

5. In response to our minutes to the Prime Minister of 19 and 29 February a number of colleagues have claimed priority in the timetable for particular Bills. All of these claims, which are summarised in Annex A, have real merits but they cannot all be accommodated. We need to establish an order of priority which has regard to the relative political importance of the various measures and the financial penalties of their not becoming law by the Summer Recess. We must also take account of the length of the Bills and the progress they have already made. It is desirable that the Housing Bill and the Tenants' Rights (Scotland) Bill, both of which confer on council tenants the right to purchase their houses, should become law at about the same time. The Ministers responsible in the Lords for the Housing Bill would also be responsible for the Local Government (Planning and Land) (No 2) Bill so these two measures cannot proceed concurrently. Finally, there are operational reasons, summarised in Annex A, pointing to the early enactment of both Social Security Bills and of the Broadcasting Bill.

6. Bearing all these points in mind, we suggest for the Cabinet's consideration that one possible order of priority for securing Royal Assent for the Bills concerned would be as follows:

To be secured before the Summer Recess:

- Social Security
- Social Security (No 2)
- Transport
- Employment
- (Housing
- (Tenants' Rights (Scotland)
- Broadcasting

To be secured in the spillover:

- Local Government (Planning and Land) (No 2)
- Health Services
- Civil Aviation

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7. The disadvantages of this timetable from the point of view of the Health Services Bill are set out in the Annex. The Secretary of State for the Environment is prepared to acquiesce in the Local Government (Planning and Land) (No 2) Bill not becoming law until the spillover. The controversial provisions of that Bill, especially as regards the block grant, would however then fall for discussion in the House of Lords at about the time of the Party Conference. We must draw the attention of colleagues, in the light of the Government defeat in the Lords over the transport provisions of the Education Bill, to the likelihood that the risks of Government defeats over provisions in the Local Government Bill have been materially increased, and this timing would increase them still further.

8. An alternative order of priorities, which would involve deferring the Housing Bill and the Tenants' Rights (Scotland) Bill to the spillover, would be:

To be secured before the Summer Recess:

Social Security
Social Security (No 2)
Transport
Employment
Local Government (Planning and Land) (No 2)
Broadcasting

To be secured in the spillover:

Health Services
Housing
Tenants' Rights (Scotland)
Civil Aviation

9. We shall need to consider nearer the time the exact dates of the Summer Recess and the length of the spillover. Present indications are, however, that if the Recess starts on 8 August the House of Lords will have to sit for at least four weeks after returning from the Recess in order to secure the programme.

10. We invite the Cabinet:

1. To note the position summarised in this memorandum.
2. To note that time can be found for the Port of London (Financial Assistance), Coal Industry and White Fish Authority Bills.
3. To agree that further consideration be given by Legislation Committee to Energy Conservation and Films Bills if limited to essential financial provisions.

4. To agree that the Contempt of Court Bill should not be introduced.
5. To consider the alternative orders of priority proposed in paragraphs 6 and 8 above for the major Bills yet to be considered by the House of Lords.

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Privy Council Office

14 March 1980

ANNEX A1. Broadcasting Bill

Royal Assent by the summer recess is necessary in order to enable new ITV contracts to be negotiated and brought into operation on 1 January 1982. New contracts must be signed by 1 January 1981 to give contractors one year to prepare for the provision of programmes after 31 December 1981, when current contracts expire. The IBA cannot award the new contracts until its own life has been extended beyond the date of expiry of the present contracts.

If Royal Assent is delayed until October, the IBA will not be able to finalise terms of contracts and will not be able to have realistic interviews in time for contracts to be awarded before the end of the year.

2. Employment Bill

Enactment by 10 July is necessary to meet the target of having the Codes on Picketing and the closed shop in force in time for next winter's pay round. As the first stage in the preparation of these codes, the Secretary of State is required to consult ACAS. If he cannot do so before the summer recess there will be a delay of at least two months in the statutory consultation process with industry, and the target will not be met.

3. Health Services Bill

The Secretary of State was obliged by previous legislation to implement on 1 January revocations of pay beds. Further revocations are not being proposed on the understanding that the Bill will be passed quickly. The General Practitioners' Finance Corporation has already had to cease making new loans to General Practitioners; a back-log has built up. The GPFC is unable to make any new loans at all until the Bill becomes law; and banks are becoming more difficult about providing bridging finance. The Chairman of the Corporation, at a slightly earlier stage, expressed serious concern even about the delay which would be involved if the Bill were not enacted by Easter. Deferment to the autumn would lead to strong protests and anger from the medical profession.

The Bill imposes a statutory obligation on health authorities to observe cash limits. The Secretary of State is relying on the likelihood of early Royal Assent to put pressure on the reinstated Lambeth, Lewisham and Southwark Area Health Authority to act responsibly in the interim.

4. Housing Bill

The Environment Secretary has given four main reasons why the Bill should have high priority:

"First, there is the political imperative arising from our commitment to give council and New Town tenants the right to buy their homes. That policy was a major factor in our Election success. Over 5 million tenants fall within its scope and thousands of them are looking forward to that promise being fulfilled at the earliest opportunity; indeed in correspondence we receive questions why it has not already been done. Council house prices are continuing to rise and, in our view, are unlikely to fall. The longer enactment is delayed the greater, therefore will be the financial penalty imposed on purchasers.

"Further, public sector receipts of between £12 million and £15 million may be lost from the current financial year if enactment were delayed by 3 months.

"Secondly, the Bill provides for the abolition of the so-called "no-profit rule" which prevents authorities from making a surplus on their Housing Revenue Accounts. If the Bill is not law by October those authorities affected by the rule will be unlikely to make an autumn rent increase in line with our recommended guideline. The net effect on the public sector borrowing requirement could be as high as £20 million this year, and with consequentials for later years.

"Thirdly, we must have the new subsidy system in force as from 1 April 1981 to achieve public expenditure savings. There is a statutory obligation on the Secretary of State to consult with the Local Authority Associations. We ought to do that as early as possible to try to marry up the timing of the subsidy determination with the Rate Support Grant decisions announced in November. Enactment later than the summer recess would impose an unreasonable timetable on the local authorities - and they would say so publicly and vigorously.

"Fourthly, we need enactment as soon as possible to help private sector tenants through the shorthold provisions."

5. Social Security Bill

The Cabinet has already accepted that this Bill, now well advanced in the Commons, should become law by 24 May as six-month order books are to be issued during May uprating benefits from 24 November according to the provisions of the Bill - anticipating the subsequent uprating order.

6. Social Security (No 2) Bill

This Bill also affects the uprating of benefits from 24 November. As with the Social Security Bill, order books issued during May will have to anticipate the subsequent affirmative uprating order. The controversial nature of this Bill makes it particularly important to have the main legislation as far advanced as possible during May, and finally approved thereafter. Subsequent savings are at stake.

The passage of the Bill has to be followed by an affirmative order requiring approval in both Houses. The work connected with uprating has increased this year because of radical changes in the supplementary benefit scheme. The Secretary of State would like to see Royal Assent by the end of June, with an "outer deadline" of mid-July.

7. Tenants' Rights, Etc. (Scotland) Bill

The arguments are essentially the same as for the Housing Bill. It would be political very damaging if council house tenants in Scotland did not obtain the right to buy their houses at or before the time that the right became available to tenants in England and Wales.

8. Transport Bill

The Bill, which will be ready for introduction in the Lords before Easter, gives effect to manifesto commitments on the sale of the NFC and reform of bus licensing. The Bill needs early enactment because of its pensions provisions, which are intended to secure public expenditure savings of £80 million (1979 survey prices) over 1979-80, in 1980-81 and in later years. If the Bill is not enacted by 30 June there will be a short-fall of around £20 million in 1980-81.