

LEADER'S CONSULTATIVE COMMITTEE

Minutes of the 203rd Meeting held at 5.00 pm
on Monday, 8th May 1978, in the Leader's Room
at the House of Commons.

Present: Mrs. Thatcher

Mr. Whitelaw, Sir Keith Joseph,
Lord Carrington, Sir Geoffrey Howe
(for the end only), Mr. Prior,
Mr. Pym, Sir Ian Gilmour, Mr. Peyton,
Mr. Jenkin, Mr. Davies, Mr. Neave,
Mr. Heseltine, Mr. St. John Stevas,
Mr. Maude, Mr. Edwards, Mr. Nott,
Mrs. Oppenheim, Mr. King, Mr. Taylor.

Mr. Atkins.

In attendance: Mr. Alison, Mr. Rossi, Mr. Fowler
(for appropriate items only),
Mr. Butler, Mr. Stanley, Mr. Patten,
Mr. Ridley, Mr. Nicholson,
Mr. Houston, Mr. Cardona.

Apologies: Lord Hailsham, Lord Thorneycroft.

Further Discussion of Manifesto Drafts and Their Implications for
Legislation and Spending - LCC(78)175

1. Local Government

There was a renewed discussion. It was noted that a paper was being prepared on our policy on rating and we could not make a full statement until this had been discussed. It was agreed that Mrs. Thatcher should, at the Scottish Conference, adhere to the pledge to abolish domestic rates. The outstanding questions were - "how long would it take to accomplish this objective?" and "what should replace the domestic rating system?" It was also agreed that the paper would deal with commercial rating and the problems of small businesses, and examine the problem of water rating which was full of anomalies. We should consider whether it was desirable to have elected representatives on water boards, and whether it was possible to take education in general, or teachers' salaries in particular, off the rates.

2. Housing

Mr. Rossi introduced the paper and there was a discussion. The following points were agreed:

(1) We should seek, immediately on gaining power, to deal with the worst aspects of the Community Land Act through statutory instruments; total repeal could be left to a later date.

(ii) We needed separate Scottish legislation to cut housing subsidies, sell council houses, and deal with privately rented accommodation, because of the differences between the Scottish and English legal and housing tenure systems. If we decided to cut housing subsidies through the Rate Support Grant, we should examine how we could meet the danger of Labour councils seeking to maintain the subsidies by increasing rates.

(iii) There would have to be legislation to deal specifically with the sale of council houses and this should take priority over other housing measures. We should need to examine whether, and how, to increase substantially the sale of council houses. We should see if there was any market research on the attitude of existing owner occupiers to generous terms for the purchase of council houses, and, if not, commission some ourselves.

(iv) We might seek, in power, to amend the current Government Bill so as to provide more generous help to first-time buyers. It was important that the assistance to first-time buyers should go where it was most needed; there should be an upper limit of £500 to the grant. Our wish to help first-time home buyers should take priority over our desire to develop a shared purchase scheme. There should be shared purchase experiments and, if these were successful, a scheme might be gradually introduced.

(v) We needed legislation to enable surpluses from the housing revenue account to go into the general rate fund; this might be achieved through a clause in a Finance Bill. This might also be the best way to deal with the Development Land Tax.

(vi) We should examine the working and financing of housing associations, and see if it was possible to give housing association tenants the right to buy.

(vii) We should encourage the introduction of "condominium" schemes for the elderly but we were not able to commit expenditure to this.

(viii) Further discussions would be held with Mr. Irwin Bellow and other local government leaders on such subjects as cuts in housing subsidies and our proposals over private landlords and tenants and the Tenants' Charter.

(ix) It was not desirable to go into too much detail on the Tenants' Charter in the Manifesto. Reference to the charter was desirable because it paralleled our commitment to a Parents' Charter in education and was a means of helping those who were not able or who did not wish to become owner occupiers.

(x) We should consider producing a model form of tenancy agreement and encourage increased management of estates by the tenants themselves. This could be achieved by legislation or by circulars; but we should, in general, try to reduce departmental interference by circular in local government matters.

(xi) We should review the working of the planning system in order to eliminate costly delays which added to the cost of housing.

3. Transport

Mr. Fowler introduced the paper which was approved after a discussion, subject to the following points:

(i) There should be more experiments in computer transport systems.

(ii) We should make more capital out of the fact that British Rail obtained a huge subsidy but still claimed that it was operating at a profit.

(iii) There was scope for cuts in expenditure on motorways but certain by-passes round the busy centres of small towns would be necessary, and we had certain other commitments, specifically in Scotland and Wales.

(iv) We should review the operating of the Vehicle Licensing Centre at Swansea but should not recommend any changes, such as the abolition of vehicle licensing, unless clear benefits were indicated, for example, in manpower or expenditure savings.

(v) It was noted that Sir Geoffrey Howe and Mr. Fowler were discussing possible savings in public spending over and above these Manifesto proposals.

4. Home Affairs

Mr. Whitelaw introduced the papers and they were agreed after a discussion, subject to the following points:

(i) We should amend the 1969 Children and Young Persons Act, which dealt with young offenders.

(ii) An unknown, but conceivably substantial, amount would have to be spent on prisons in the early years of the next Government.

(iii) The proposed new British Nationality Act would be required not later than the 3rd year of the next Government.

(iv) Amendments were not necessarily required to race relations legislation: we should simply refrain from prosecuting cases arising from the Government's legislation relating to "intox".

(v) We should await the report of Professor Williams' committee before deciding whether any further action on child pornography was required beyond Mr. Townsend's Act. We should not, in any case, legislate in the first year. It would be desirable to refer in the Manifesto to Lord Carr's earlier Bill which sought to deal with the whole subject of pornography.

(vi) We should examine the desirability of removing the burden of dealing with traffic offences from the police; it was noted that the police were reluctant to see this change.

(vii) We should be in a position to make a clear statement on soccer hooliganism. We favoured Saturday afternoon detention centres for some offenders.

(viii) There should be some reference in the Manifesto to the Special Constabulary.

5. Social Services

a) the National Health Service. Mr. Jenkin introduced this section of the paper. It was noted that the Royal Commission on the National Health Service would report early next year. There was a discussion, in particular on the proposal in paragraph 5 (which was agreed) on simplifying the administration of the health service; it was noted that the recommendations of the Royal Commission were likely to be similar to what Mr. Jenkin had proposed in his speech in the House of Commons debate on 20th April. The following further points were agreed:

(i) In making the administrative changes Mr. Jenkin proposed we should seek to avoid unnecessary duplication, to bring the administration of the Health Service closer to those who used it, and to cut substantially the number of central government circulars, many of which gave local health authorities directions on exceedingly trivial matters.

(ii) Cash limits would be used to cut out waste and we would encourage more bulk purchasing where appropriate. A single cash limit on both current and capital expenditure would leave the Health Service the freedom to choose how its resources should be used. This freedom should be given to units as far down the structure as possible. There might however have to be a distinct cash limit for pay, in order to control manpower and expenditure or wages. The carrying-forward of balances should be tried.

(iii) We wished to encourage more voluntary assistance in the Health Service. This - and the funds to help - were more likely to be forthcoming if there were more emphasis on local administration and local identification.

(iv) An early Bill to give local health authorities the option of restoring pay beds where they so desired was necessary as the phasing out of pay beds provided for in the Health Services Act was proceeding rapidly. Local health authorities would be responsible for consulting local representatives of the appropriate trade unions.

b) Personal Social Services and Family Policy. There was a short discussion and the following was agreed:

(i) We were not able to go faster or promise more on child benefit than the Government at present were doing.

(ii) We should not propose in the Manifesto that there should be a family impact statement in all new Government legislation or that there should be a Family Council.

The meeting closed at 7.30 p.m.