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MAP

FROM THE PRIVATE SECRETARY TO THE LEADER OF THE HOUSE  
AND THE CHIEF WHIP

14 October 1981

Dear David,

I have seen a copy of Nick Huxtable's letter to you of 9 October about the timing of the Local Government Finance legislation.

The Lords Business Managers remain of the view that the Lords must be allowed at least the same amount of time on the Bill as the Commons. I can therefore confirm Nick Huxtable's statement that Royal Assent should be possible in the first half of March if the Commons complete the Bill by Christmas. I should point out that this tentative programme allows a week or so for consideration of any Lords amendments in the Commons. The Chancellor of the Duchy considers it most important that the possible need for this extra time should not be overlooked.

The Chancellor has also asked me to suggest that the Lords Business Managers should be consulted before the detailed discussions on the Bill, to which Nick Huxtable refers, are concluded.

I am copying this letter to the other recipients of Nick Huxtable's.

Yours ever  
Michael Pownall.

M G POWNALL

D A Edmonds Esq  
Private Secretary to the Secretary  
of State for the Environment

11.4 OCT 1981

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Parliament

PRIME MINISTER'S OFFICE  
WHITEHALL, LONDON SW1A 2AA

9 October 1981

NBPM yet

MRP

Dear David

LOCAL GOVERNMENT FINANCE LEGISLATION

When we spoke this morning I explained that the Lord President of the Council and the Chief Whip had discussed yesterday the timetable for handling this legislation in the light of the Cabinet's recent decision on the shape of the legislative programme for the 1981/82 Session. You had already explained to me your Secretary of State's wish for this legislation to receive Royal Assent at as early a date as is practicable in order to keep to an absolute minimum the number of local authorities who might be affected by the retrospective provisions which this measure will include.

The Lord President and the Chief Whip agreed that, provided introduction is achieved immediately after the opening of the Session, the aim would be that this legislation should complete its Commons stages shortly before the House rises for the Christmas recess. As you know, detailed discussions between the Chief Whip's office and Mr King's office on handling arrangements have already commenced. I understand from Michael Pownall in the Chancellor of the Duchy's office that completion of the legislation's Commons stages by Christmas would enable the House of Lords to complete work in time for Royal Assent to be granted by the end of the second week of March, or possibly a little earlier. No doubt the Chancellor of the Duchy's office will wish to comment directly on the timing constraints in the House of Lords in the light of this letter.

I am copying this letter to Mike Pattison (No 10), John Halliday (Home Secretary's office), Michael Pownall (Chancellor of the Duchy of Lancaster's office), Murdo Maclean (Chief Whip's office), Brian Shillito (Parliamentary Counsel's office) and to David Wright and David Hilary in the Cabinet office.

Yours ever

*N P M Huxtable*

N P M HUXTABLE  
Private Secretary

D A Edmonds, Esq  
Private Secretary to the  
Secretary of State for the Environment

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F-9 OCT 1981







## DEPARTMENT OF HEALTH &amp; SOCIAL SECURITY

Alexander Fleming House, Elephant &amp; Castle, London SE1 6BY

Telephone 01-407 5522

*From the Secretary of State for Social Services*

23 September 1981

The Rt Hon Baroness Young  
 Chancellor of the Duchy of Lancaster  
 Civil Service Department  
 Whitehall  
 LONDON  
 SW1

*Yes Janet.*

LEGISLATIVE PROGRAMME 1981/82 - LEGISLATION ON LOCAL  
 GOVERNMENT FINANCE

Thank you for your letter of 22 September about the implications for our manpower savings target of the proposal in the Home Secretary's paper (C(81)47) to drop the Social Security Bill and possibly the Housing Bill from the legislative programme for the next Session.

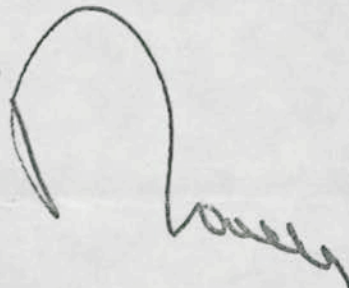
As you say, we are relying on these two Bills to provide the main contribution towards our Departmental manpower target of 87,700 by April 1984. In addition to the items that you mention (the Employers' Statutory Sick Pay Scheme, Unified Housing Benefit and the associated simplification of supplementary benefit) the Social Security Bill is intended to include other measures yielding staff savings of several hundred. To lose savings of this order would be more than serious: without them there would be no prospect at all that my Department could reach its target. There are no alternative measures available to make good these losses.

I am afraid, therefore, that a decision to drop these Bills on Thursday would mean that we simply could not achieve our manpower targets - and the Government's overall target could not be reached. It would be particularly unfortunate if the sick pay proposals were now to be thrown away, almost certainly for the lifetime of this Parliament; a successful meeting that I had with the CBI last week has I think secured the withdrawal of their opposition in return



for 100 per cent reimbursement. I shall be putting proposals to H Committee accordingly, with a view to preserving savings from this measure of 2,500 to 3,000. We must not lose this. It would be equally unfortunate if the housing benefit proposals were to be dropped, now that the discussion at H Committee earlier today has opened the way to agreement with savings of the order of 4,000 in prospect (that is, including the consequential simplification of supplementary benefit).

I am copying this to the Prime Minister, Members of the Cabinet, the Chief Whip, and to Sir Robert Armstrong.

*You see* 

NORMAN FOWLER

12 3 SEP 1987

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CHANCELLOR OF THE DUCHY OF LANCASTER



Civil Service Department  
Whitehall London SW1A 2AZ

Telephone (Direct dialling) 01-273  
(Switchboard) 01-273 3000

Prime Minister

To see

ML

22xx

Your reference

The Rt Hon Norman Fowler MP  
Secretary of State for Social Services  
Alexander Fleming House  
Elephant and Castle  
LONDON SE1 6 BY

Our reference

Date

22 September 1981

Dear Norman,

LEGISLATIVE PROGRAMME 1981-82 - LEGISLATION ON LOCAL GOVERNMENT FINANCE

new circulated

The Home Secretary's paper for discussion this Thursday (C(81)47) raises the problem of finding room for legislation to improve the accountability of local authorities in the levying of rates.

At least two main programme bills will have to be dropped to make room. The candidates suggested are the Social Security Bill; and either the Housing and Building Control Bill, or the proposed legislation on the retailing of gas appliances. My present concern is with the implications for our commitment to a Civil Service of 630,000 by 1984.

Taken together the Social Security and Housing Bills should provide manpower savings of up to 7,600 in your Department through the Employers Statutory Sick Pay Scheme and Unified Housing Benefit with the associated simplification of supplementary benefit. It would clearly be a most serious matter to lose savings of this order. It would be bound to put our target at risk unless you, or other colleagues, felt able to offer acceptable alternatives to make good the loss. I feel therefore that colleagues would welcome advance warning of this aspect before we come to discuss it at Cabinet.

Of course, if you feel confident that you would still be able to meet your target (after allowance for the impact of unemployment) that would make the outlook much happier. But if you don't we have to recognise that we may not get the Civil Service down to 630,000 by 1984.

I am copying this to the Prime Minister, members of the Cabinet and to Sir Robert Armstrong.

Yours ever

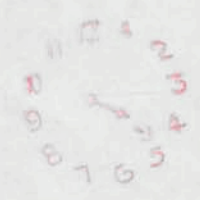
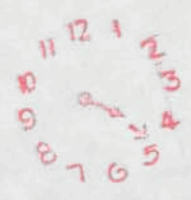
Baroness

BARONESS YOUNG



12 25

12 2 SEP 1981





MASTER

Mr Lancaster 2

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*[Handwritten mark]*

MINUTES of a Meeting held  
in Conference Room A, Cabinet Office  
on THURSDAY 17 SEPTEMBER 1981  
at 11.45 am

*Announcement*  
*To note that*  
*H favour dropping*  
*the Social Security*  
*Bill and for the*  
*Housing or Gas*  
*application Bills.*  
*This with*  
*of course to*  
*come to*  
*Cabinet*  
*on Thursday*

PRESENT

The Rt Hon William Whitelaw MP  
Secretary of State for the  
Home Department (In the Chair)

The Rt Hon Francis Pym MP  
Lord President of the Council

Baroness Young  
Chancellor of the Duchy  
of Lancaster

The Rt Hon Michael Jopling MP  
Parliamentary Secretary, Treasury

The Rt Hon Lord Denham  
Captain of the Gentlemen-at-Arms

Mr G Engle  
First Parliamentary Counsel

SECRETARIAT

Mr D H J Hilary  
Mr L J Harris

*TL*  
*199*

LEGISLATIVE PROGRAMME 1981-82:  
LEGISLATION ON LOCAL GOVERNMENT FINANCE

THE HOME SECRETARY said that the Ministerial Committee on Economic Strategy (E) had decided the previous day that legislation to improve the accountability of local authorities in the levying of rates should be introduced at the beginning of the 1981-82 Session of Parliament. The intention was that the new system should apply for the financial year 1982-83. This in turn implied that the legislation should receive Royal Assent not later than the end of February 1982, so that local authorities could take it into account when fixing their rates for the following year, though it had been suggested that a somewhat later date for Royal Assent would be acceptable provided that the local authorities were fully aware of the Government's intentions. E Committee had

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recognised that other main programme bills agreed for the 1981-82 Session might have to be dropped to enable the rating legislation to be given the necessary priority, and had invited him to consider the implications for next Session's legislative programme as a whole with the business managers. Any recommendations on how the programme might be adjusted to take account of the decisions of E Committee on local government finance would be considered by the Cabinet in the context of their discussion on 24 September of the draft Queen's Speech on the Opening of Parliament which had been prepared by The Queen's Speeches and Future Legislation Committee.

THE LORD PRESIDENT OF THE COUNCIL said that the proposed rating legislation would clearly be highly controversial in both Houses. A timetable motion would almost certainly have to be considered very soon after introduction of the Bill. It would be difficult to contemplate taking all stages of the Bill on the Floor of the Commons because of the serious inroads which this would make into the time available for other urgent legislation, and because of the continuing uncertainty about the amount of time which would have to be found for legislation on the Canadian constitution. At least two other main programme bills would have to be dropped in order for there to be any possibility of the timetable envisaged by E Committee being met for the Local Government Finance Bill. The main contenders for deletion from the programme appeared to be the Social Security Bill and the Housing and Building Control Bill, both of which were highly controversial and were said to require early Royal Assent.



THE CHANCELLOR OF THE DUCHY OF LANCASTER said that, to have a reasonable prospect of being passed by the end of February, the Bill would have to receive Second Reading in the Lords before Christmas. Even then, the Lords would have to be brought back from the Christmas Recess on 11 January rather than 18 January. This almost unprecedented shortening of the Recess would cause great resentment in many parts of the House, which had had to sit for some five weeks during the present Session while the Commons were in recess. The Bill would be strongly opposed by many Peers with local authority interests.

In discussion, it was noted that the proposed rating changes raised a great many constitutional and administrative questions which would have to be resolved between the Departments concerned before the drafting of the legislation could be completed. In view of the other pressures on Parliamentary Counsel's Office, further work on the preparation of the Mental Health (Amendment) Bill would have to be postponed to enable Second Parliamentary Counsel to concentrate full time on the Local Government Finance Bill. In order to free Parliamentary time in the early part of the Session for this Bill, it seemed desirable to drop the Social Security Bill from the 1981-82 programme, though in view of the fact that the Bill had already been postponed from the current Session this would be seen in some quarters as a further retreat by the Government ~~from~~ the proposed employers' statutory sick pay scheme. The continued doubt which surrounded the manpower benefits to be derived from the introduction of unified housing benefit, which had been the sole justification for including the Housing and Building Control Bill in the 1981-82 programme, suggested that the Bill as a whole might with advantage be postponed. Alternatively, the proposed legislation to compel the British Gas Corporation to dispose of their



domestic gas appliance retailing interests might be deferred.

These proposals had already been heavily criticised by members of both Houses, including some of the Government's own supporters, and could well provoke industrial action in the gas industry.

THE HOME SECRETARY, summing up the discussion, said that the meeting agreed that the timetable envisaged by E Committee for the Local Government Finance Bill could be achieved only by dropping at least two other main programme bills from the agreed programme for the 1981-82 Session. They recognised the policy arguments which could be advanced in defence of any of the bills now in the programme, but considered on balance that the Social Security Bill should be dropped, together with either the Housing and Building Control Bill or the proposed legislation on the retailing of gas appliances. He would incorporate this recommendation in his covering memorandum to the draft Queen's Speeches on the Opening and Prorogation of Parliament which he would circulate to Cabinet early the following week for discussion on 24 September.

The Meeting -

Took note that the Home Secretary would report their conclusions to the Cabinet, as indicated in his summing up of their discussion.

Cabinet Office  
17 September 1981