Parliament

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Ref. A02219

PRIME MINISTER

Cost of Parliament

(C(80) 28)

BACKGROUND

In the course of their discussion on Parliamentary Pay and Allowances, the Cabinet invited the Chancellor of the Duchy of Lancaster, in consultation with the Minister of State, Civil Service Department and other Ministers as necessary, (CC(80) 5th Conclusions), to prepare a memorandum on the cost of Parliament, including the costs falling on Government Departments. The Chancellor's memorandum (C(80) 28) follows such consultation.

2. He discusses the possibility of a Joint Select Committee (or a Select Committee of the House of Commons) to inquire into the costs of Parliament (paragraph 11). He doubts whether an across the board review is needed: he is concerned that Members would use it to press for better working conditions and allowances, in the light of overseas comparisons; and that it might well result in higher, rather than lower, expenditure. He regards control of the costs of works at the Palace of Westminster (Secretary of State for the Environment), and policing (Metropolitan Police and Home Office) as satisfactory (paragraph 7). Levels of Members' pay and allowances are decided following reports of the Top Salaries Review Body (paragraph 6). The main areas which, in his view, might benefit from closer scrutiny are staffing and administrative costs in both Houses, and printing and stationery costs (paragraph 8).

3. He would prefer to invite (paragraph 12) the House of Commons Commission and the House of Lords Offices Committee to review their control of administrative costs, seeking economies and better consultation with the Government (on Commons administration); and for the two Houses to assume financial control (on a repayment basis) for printing, Hansard and stationery.

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4. The Chancellor of the Duchy also mentions the costs which Parliament imposes on Government Departments (paragraphs 9 and 10); and (at the suggestion of the Minister of State, Civil Service Department) proposes that, in the next Session of Parliament, one Department should act on Sir Derek Rayner's recommendation of recording the resources committed to Parliamentary work, so that lessons could be drawn for central government as a whole.

HANDLING

5. You will wish the Chancellor of the Duchy of Lancaster to introduce his paper.

Direct Costs

6. You might then ask Cabinet to consider, first, the direct costs of Parliament.

(1) The Chief Secretary could be asked to comment. (The Chancellor of the Duchy consulted him about the draft paper.) He is likely to support a review of the systems of control over staffing and administrative cost in the Commons and Lords, and to argue for cash limits. He may also press for cash limits on Members' Salaries and Allowances (Vote XIII, 2).

(2) The Secretary of State for the Environment (also consulted on the draft paper) may wish to speak on the upkeep of Parliament. The memorandum makes no suggestion for change. He may conceivably suggest that the Lord President and the Leader of the House should assume responsibility. If so, Cabinet may feel that independent scrutiny by the Property Services Agency and its Ministers should continue.

(3) You may then wish to call on the Home Secretary (policing, and more generally), the Lord Chancellor and the Lord President (House of Lords), the Chancellor of the Exchequer, the Chief Whip and the Minister of State, Civil Service Department (Pay and allowances).

7. The main issue in this part of the discussion is likely to be -

(1) Whether the Cabinet wishes to initiate a comprehensive inquiry by a (Joint) Select Committee (paragraph 11), or the four separate initiatives (paragraph 12) relating to staffing, administration, printing, stationery and computers. An across-the-board inquiry would be able to consider (in addition to the subjects put forward by the Chancellor of the Duchy) the arrangements for determining pay and allowances, and control over the Palace of Westminster and its policing. Cabinet will need to consider the likelihood of better arrangements emerging from a wide-ranging inquiry, and the risk evidently felt by the Chancellor of the Duchy that it could open something of a Pandora's box on pay and accommodation.

(2) If Cabinet decides to adopt the approach of separate initiatives, whether there is agreement on the four proposals (12a. to 12d). Does the Cabinet wish to propose any further steps?

Indirect Costs

8. The Minister of State, Civil Service Department, who provided the assessment in paragraph 9 of the paper, might be asked to speak. He may say something about the work created for Ministers and Departments by Select Committees. For reasons of cost, he does not recommend a major survey of PQs, Select Committees and MPs' letters extending to all Departments. He commends the proposal that one Department should keep a record next Session of the resources committed to Parliamentary work (paragraph 12e.). He may also mention his wish to raise (from £50 to £100) the level above which Ministers should consider refusing to answer Parliamentary Questions on grounds of disproportionate cost. This is not an unreasonable proposition: the £50 limit was set in 1965.

9. The Chancellor of the Exchequer, who is concerned about the burdens imposed by Select Committees on Ministers and senior officials, may wish to comment; and you might also seek the views of the Lord President.

10. The main matters for Cabinet decision are likely to be whether -

(1) to endorse the proposal for a single Department to keep a record of its Parliamentary commitments - is it possible to find a typical Department from whose experience lessons can be drawn for central government as a whole? Would it not be safer, though more costly in manpower, to invite four or five Departments to take part?

(2) to pursue the possibilities of easing the burdens placed by Select Committees on Ministers and senior officials, for example by raising the matter in the Liaison Committee;

(3) to seek other ways of reducing the costs imposed by Parliament on Ministers, and their Departments, for example, by reducing record keeping and checking, by declining to deal with letters about the day-to-day business of health authorities and other non-departmental bodies.

CONCLUSIONS

11. In the light of the discussion, you may wish to guide the Cabinet to agree the Chancellor of the Duchy's approach in paragraph 12 of his memorandum. There may be support in Cabinet for steps to be taken in addition to the five proposed.

12. The Chancellor of the Duchy will need to be authorised to hold informal talks with the Speaker, the Opposition Front Bench spokesman and the Commission. The Cabinet might ask him to report back on the outcome of his discussions. The Lord President might also be asked to approach, in due course, the House authorities and the Opposition in the House of Lords.

RGA

(Robert Armstrong)

21st May, 1980

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From: THE PRIVATE SECRETARY

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PRIME MINISTER

HOME OFFICE
QUEEN ANNE'S GATE
LONDON SWIH 9AT

What other answer did he expect?

MS
30/6

30 June 1980

Dear Bill,

As he promised at Cabinet on 22 May (Item 4, foot of page 7 of the minutes) the Home Secretary has consulted the Commissioner about the present complement of police and civilian security officers engaged at the Palace of Westminster. The Commissioner has assured him that he considers the present complement to be appropriate for the task of policing the Palace.

I am sending copies of this letter to the Private Secretaries to the members of the Cabinet and to David Wright.

Yours,
Stephen

(S W BOYS SMITH)

M A Pattison Esq

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