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The Rt Hon John Wakeham MP
Lord President of the Council
Privy Council Office
Whitehall
LONDON
SW1A 2AT

My ref:
Your ref:

23 February 1988

NBR
at the stage
REC
2/2

Dear John

LOCAL GOVERNMENT BILL: DISABLED EMPLOYMENT

As you will be aware, the Government was defeated earlier this week in the Lords on an amendment which would allow local authorities to ask questions about potential contractors' approach to the employment of disabled people.

I am in no doubt that, whilst we should not say what we are going to do until after Third Reading on 29 February, we should reverse this when the Bill returns to the Commons next month. Accepting it breaches the line that we have maintained throughout the Bill's proceedings that local authorities should only concern themselves with contractors' employment practices where they have a specific statutory duty to do so. A few authorities already ask burdensome questions about the details of potential contractors' employment of disabled people, and we could be sure that many more would start to if we accepted the amendment.

The debates in the Lords showed, however, that there is a good deal of concern about the difficulties that the disabled face in finding employment, and unhappiness about the adequacy of the Employment Service and MSC response. In effect the argument is that the Government is not doing enough itself, so it should not stop local authorities from doing something. I would not, of course, suggest that this criticism is justified. But it would clearly help when we go back to the Lords in early March if we were able to announce some positive steps that we were taking to help the disabled. I would therefore be grateful if Norman Fowler and John Moore would consider whether there is anything that we might say then.

If the Lords insist on their amendment when we take the Bill back, then as a fallback we could amend the clause so that we specify the questions that can be asked, as we have for race relations questions. But I would regard that as a very undesirable fallback.

I am sending copies of this letter to the Prime Minister, other members of H Committee, Sir Robin Butler and Henry de Waal.

Nicholas Ridley

NICHOLAS RIDLEY



RECYCLED PAPER

cc. BG



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The Rt Hon John Wakeham MP
Lord President of the Council
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8 March 1988

John

LOCAL GOVERNMENT BILL: EMPLOYMENT OF PEOPLE WITH DISABILITIES

Nicholas Ridley copied to me his letter of 23 February about the Lords' amendment relating to action by local authorities to promote the interests of people with disabilities. I have seen also John Belstead's letter of 2 March, and John Moore's letter of 3 March.

flap

I support the view that we should seek to reverse the amendment. Leaving aside the effect that the clause would have upon the central thrust of the Bill, I would not find the intervention by local authorities, that the amendment would allow as helpful in promotion of equal opportunities policies for people with disabilities. The Code of Good Practice on the Employment of Disabled People is a voluntary Code, and has gained a wide measure of support as such. That acceptance would be put at risk if the Code were to be used by local authorities in the way proposed by the sponsors of the amendment.



Nicholas Ridley invited me in his letter to consider the announcement of some positive steps for the benefit of people with disabilities that could be announced when the amendment was next debated.

In view of the importance attached to reversing the amendment, I would like to help in any reasonable way possible. I take it that the main attack will continue to be that either the amendment has no effect, in which case it has no purpose or, if it has effect, that effect remains offensive to the underlying principle of the Bill. Either way the position is likely to be readily understood by those in the disability lobby responsible for promoting the amendment.

I should be quite willing to see that argument developed against the background that the responsibility for the promotion of effective policies to secure equality of opportunity - which operates within a voluntary framework - rests with this Department, and for reference to be made to the substantial efforts we have been putting into that work.

I have no specific new developments, I am afraid, to which reference could be made in the near future. However, it is the case that I have before me a report by the National Advisory Council for the Employment of Disabled People, to which I look for advice in this area, which sets out the results of the wide-ranging review it has undertaken recently into the principles - the Tomlinson Principles - that underpin all work that we carry out to promote the interests of people with disabilities. I am also expecting to receive shortly a report from the Public Accounts Committee which is likely, I imagine, to comment on the effectiveness of the Quota arrangements - a topic which has a close relationship with the issues which seem to have prompted the amendment. We have started here recently, (in co-operation with the DHSS,) a quick but searching internal review of our policies and programmes, partly against the need to reply to these reports.

It is far too early to clear what will emerge from this examination, to which I have not referred in Parliament, and I do need to be careful to avoid the embarrassment of creating expectations which we may not be able to meet.

However, it would be perfectly reasonable for our spokesman dealing with the amendment to take the line that the arguments for the action the amendment is intended to support should be considered in the light of the reports to which I have referred, and to mention my expectation that I shall want to announce my views on the proposals presented to me in these reports later in the year in the ... light of the review that is now in hand. I attach a form of words which my officials in Disabled People's Branch here would be happy to discuss with officials handling the Bill.



If we are unsuccessful in seeking to reverse the Amendment, I agree that the objective will be to accept an amendment which offered as little as possible in this area.

I am sending copies of this letter to the Prime Minister, members of H committee, Sir Robin Butler and to Henry de Waal.

A handwritten signature in black ink, appearing to read 'Norman Fowler', written in a cursive style. The signature is positioned above the printed name.

NORMAN FOWLER

DRAFT FORM OF WORDS FOR GOVERNMENT SPOKESMAN

Fully understand the underlying motives of those who supported this amendment.

Sympathise with those who are seeking ways of helping to promote the development of good employment practices by employers towards people with disabilities.

That remains a major objective of Rt Hon Friend the Secretary of State for Employment, whose Department has been particularly active in the promotion of such policies -

as well as in the provision of a wide range of services to help people with disabilities find and retain work.

However, I see a number of difficulties in the way of the Amendment.

[Insert DOE argument that either the clause has no purpose, or such purpose as it has will be offensive to the main thrust of the Bill.]

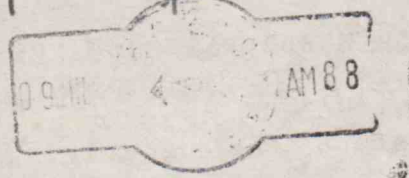
Furthermore, the Government do not believe that action by local authorities in this way - no matter how well-intended - would significantly increase acceptance of good practices by employers within the existing voluntary framework.

It seems to me that it would be better if the arguments on which I understand the Amendment was based were to be looked at not hastily and in the context of the Bill, but fully and properly in the context of the policies which are the responsibility of my Rt Hon Friend the Secretary of State for Employment.

I understand that my Rt Hon Friend is reviewing within his Department the policies and programmes he supports for disabled people in employment, in the light of the need to respond later in the year to the review recently undertaken by the National Advisory Council for the Employment of Disabled People on the Tomlinson Principles - on which employment policies pursued by my Rt Hon Friend are based - and the conclusions the PAC reaches on the NAOs examination of the Quota arrangements, and other arrangements made for the benefit of people with disabilities.

In the light of this, I hope that the House will be willing to accept that it would be appropriate for the Amendment carried in the other place to be reversed.

LOCAL GOVT Relatives pr 34





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DEPARTMENT OF HEALTH AND SOCIAL SECURITY

Richmond House, 79 Whitehall, London SW1A 2NS

Telephone 01-210 3000

From the Secretary of State for Social Services

NBPM dr
Mr. Stave - B/F
de N. Fole
reps.
RCC
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The Rt Hon John Wakeham MP
Lord President of the Council
Privy Council Office
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3 March 1988

LOCAL GOVERNMENT BILL: DISABLED EMPLOYMENT

at flap

I have seen Nicholas Ridley's letter of 23 February about the Lords' Amendment allowing local authorities to question contractors about the employment of disabled people, together with John Belstead's response of 2 March and Peter Brooke's comments about the EC dimension. I am aware of the strength of feeling about this in the Lords, and I am keen to assist in maintaining a positive stance, but which does not destroy our point of principle on limiting the locus of local authorities in relation to contractors' employment practices.

On positive measures to help the disabled, our recent record is strong. For example, Section 5 and 6 (which came into force last month) of the Disabled Persons (Services, Consultation and Representation) Act 1986 included a requirement to assess the needs of disabled school-leavers, taking account of a range of services, including education, vocational training and employment. Another topical DHSS example is that from next month the amount which disabled people on income support may earn without effecting their benefit will go up from £4 to £15. My officials would be happy to provide further detailed examples, if these would be helpful at any stage.

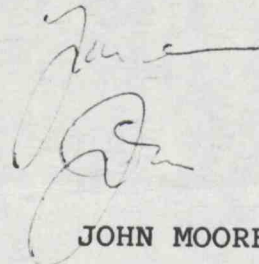
For the future, I am aware of the important work which Norman Fowler and his officials are pursuing on employment services, and my Department is co-operating fully. We are now engaged on an internal review (not announced) of cash benefits for disabled people as results are starting to come in from a major survey by OPCS, and my

E.R.

officials are working with Norman Fowler's to see how our respective efforts can be better concerted, both as regards cash and as regards the impact of our various programmes on disabled people seeking work. These developments have my full support, although I am aware that they are still at an early stage, and that it will be very difficult to identify new concrete proposals within the timescale of this Bill.

If assurances on our recent record and work in progress do not prevail, then I strongly agree with Nicholas Ridley that any fall-back should give up as little ground as possible. As it stands, the Lords Amendment would appear to permit authorities to ask contractors about any aspect of the (52-page) Code of Good Practice: a minimal fall-back might permit authorities to ask whether a contractor had taken heed of the Code; or (conceding more) to permit a request to contractors to describe their general policy with regards to the Code. I am sure that you cannot allow the Amendment in its present, all-embracing, form.

I am copying this letter to the Prime Minister, members of H Committee, Sir Robin Butler and Henry de Waal.



JOHN MOORE

Local Gov't: Relations
Pt 34





PRIVY COUNCIL OFFICE
WHITEHALL, LONDON SW1A 2AT

CPB

NBPM at his steps

2 March 1988

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Dear John,

at map

Nicholas Ridley wrote to you on 23 February with his proposals for handling the provision on the employment of the disabled which the House of Lords inserted in the Local Government Bill.

I quite accept that the amendment cannot be allowed to stand as it is and I can see the advantage from a policy viewpoint in Nicholas Ridley's approach. But if this approach is to succeed then the improvements in our policy towards employment of the disabled which Nicholas asks Norman Fowler and John Moore to identify must be genuine improvements of substance. As my predecessor made clear with other such instances, the presence of a number of disabled peers makes any issue concerning the disabled particularly emotive in the House of Lords and on this occasion all but two of the crossbenchers voted against us. Once a package is produced I think we ought first to try it out on one or two influential crossbenchers and some of our own backbenchers to see if they find it persuasive.

If we cannot produce a convincing package of measures then I believe we should move straight to the fallback position. On an issue of this sort, if we were to lose the vote on the first consideration of Commons amendments, then appetites will be whetted and it will be doubly difficult to win the second time round. In those circumstances we would need to draw heavily on our reserves of support and that I am reluctant to have to do in this instance as I wish to conserve those for even more important occasions that may arise later in the Session.

I am sending a copy of this letter to the Prime Minister, the members of H committee, Sir Robin Butler and First Parliamentary Counsel.

Your sincerely
JL

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BELSTEAD

The Rt Hon John Wakeham MP

LOCAL Gov't: Relations

Pr 30





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Treasury Chambers, Parliament Street, SW1P 3AG

The Rt Hon John Wakeham MP
Lord President of the Council
Privy Council Office
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LONDON SW1A 2AT

29 February 1988

Dear John,

LOCAL GOVERNMENT BILL: DISABLED EMPLOYMENT

I agree very much with Nicholas Ridley, who in his letter of 23 February stated his intention of reversing the Lords amendment on disablement when the Bill returns to the Commons next month. We do not believe that public contracts should be used as a means of pursuing social ends, and we need to ensure that what we have accepted regarding discrimination on racial grounds, and with regard to religion in Northern Ireland, does not lead to a system of contract compliance. I also agree with Nicholas that we should avoid if we possibly can the fallback of specifying questions that local authorities can ask about the details of potential contractors' employment of disabled people.

However, there may be a difficulty in relation to changes in the EC Supplies Directive, which we support as part of the opening up of public purchasing. The proposal now before the Council would allow suppliers to be disqualified if they are in breach of statutory obligations, "where they distort competition to their economic advantage". We are trying to get an amendment letting Member States decide whether their contracting authorities should have the facility to disqualify. If we succeed, we will have a clear, if difficult, line to defend in the Commons.

If, on the other hand, it becomes clear in the next few weeks that the Commission's draft will survive, we may have to amend the Bill to allow local authorities to seek a declaration of compliance with statutory obligations.

I am sending copies of this letter to the Prime Minister, members of H Committee, Alan Clark, and to Sir Robin Butler and Henry de Waal.

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Pr

PETER BROOKE