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CABINET

CABINET CONCLUSIONS

CC(04)

MEMORANDA 25-38 CONCLUSIONS

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COPY NO 7

CABINET

CONCLUSIONS of a Meeting of the Cabinet held at 10 Downing Street on

THURSDAY 15 JULY 2004 at 9.30 am

PRESENT

The Reffer Tony Blair MP Prime Minister

The Rt Hon John Prescott MP
Deputy Prime Minister and First Secretary of State Secretary of State for Foreign and Commonwealth

The Rt Hon David Blunkett MP Secretary of State for the Home Department

The Rt Hon Alistair Darling MP Secretary of State for Transport and Secretary of State for Scotland

The Rt Hon Geoff Hoon MP Secretary of State for Defence

The Rt Hon Patricia Hewitt MP Secretary of State for Trade and Industry

The Rt Hon Hilary Armstrong MP Chief Whip (House of Commons) The Ri Han Margaret Beckett MP Secretary of State for the Environment, Food and Rural Affairs

The Rt Hon Dr John Reid MP Secretary of State for Health

The Rt Hon Andrew Smith App Secretary of State for Work and Densions

The Rt Hon Tessa Jowell MP Secretary of State for Culture, Media and Spor

The Rt Hon Charles Clarke MP
Secretary of State for Education and Skills/

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CONFIDENTIAL Rt Hon Paul Boateng MP The Rt Hon Peter Hain MP Leader of the House of Commons, Lord Privy Seal ief Secretary to the Treasury and Secretary of State for Wales The Rt Hon Baroness Amos The Richard an McCartney MP Leader of the House of Lords and Lord President of Minister without Portfolio the Council The Rt Hon Land Falconer of Thoroton QC The Rt Hon Hilary Benn MP Secretary of State for International Development Secretary of State for Constitutional Affairs and Lord Chancellor ALSO PRESENT The Rt Hon The Lord Grocott Shief Whip (House of Lords) n The Lord Goldsmith QC thorney General RETARIAT Sir Andrew Furnbull Mr K Dando Mr P Brate Mr D Bow Mr R Fellget CONTENTS Page Subject PARLIAMENTARY BUSINESS Constitutional Reform Bill

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CURRENT EVENTS Home Office Strategic Plan

Prostitution

PARLIAMENTARY BUSINESS The Cabinet were informed of the business to be taken in the House of Commons between Monday 19 and Thursday 22 July, when the House would rise for the Summer Recess. The Commons would among other things continue to consider Lords amendments to a number of Bills if necessary. The Cabinet were also informed of the provisional business for Tuesday 7 September, the first day following the Recess.

Constitutional Reform Bill THE SECRETARY OF STATE FOR CONSTITUTIONAL AFFAIRS said that the Government had lost in the Lords by 240 to 208 votes an amendment to the Constitutional Reform Bill relating to the Office of Lord Chancellor. The issue was not about the role of the Lord Chancellor. It was now simply about whether the Lord Chancellor or Secretary of State for Constitutional Affairs had to be a senior lawyer and had to sit in the Lords. As there had been a very full turnout of the Government supporters and others favouring the full reform, it was unlikely to Boposible to reach agreement in the Lords. The alternative supporters for the matter to be considered by the House of Commons support and not yet received the Bill.

The following points were made in discussion:

- a. some upposing the Government argued that the Lord Chancelor include the representative of the judiciary in Cabinet which would be a constitutional anomaly;
- b. in an overtly political vote, cross-benchers had voted 5 to 1 against the Government.

Responding, THE SECRETARY CONSTITUTIONAL AFFAIRS said that while the Lord Chancellor had in practice been the voice of the judiciary the Government aim was for the Secretary of State for Constitutional Affairs to speak in Cabinet in favour of the political independence of the judiciary, a different concept.

CURRENT EVENTS

2. The Cabinet were informed of the main issue affecting the conduct of the Government in the week beginning Montany 19 July.

Home Office Strategic Plan

THE HOME SECRETARY gave a presentation (attached produing the Cabinet on the Home Office strategy and the criminal justice strategy which would be published together the following Manchy of the Cabinet of the Cabinet

July. Progress made in joining up cross-Government was an important theme.

Security and order were the foundation of a progressive agenda. The Government was building on success and putting the law-abiding citizen first as the central theme of a cross-Government agenda.

One aspect was neighbourhood policing for today's world. Neighbourhood policing teams had been very successfully rolled out and the intention was to increase to approximately 20,000 the number occommunity support officers and to release the equivalent of over 12,000 police officers from the back office to the front line. The police service had to work in partnership with local communities. He would discuss with the Deputy Prime Minister an incremental and thematic approaches improved local accountability ahead of a further publication on police reform in the autumn. It would also be important to share information better, as the Bichard Review had recommended. The police needed to work with others to prevent and deter crime. He planned to establish a new neighbourhood policing fund which would absorb the existing exime fighting fund.

It would be essential relentlessly to target offenders, not just the offence. As part of uncompromisingly targeting prolific offenders he envisaged the rapid roll of satellite tracking, in part to create "prisons without bars" an alternative to expensive conventional prisons. Good progress has been made recently in directing drug-using criminals into treatment and be envisaged discussing with the Secretary of State for Health enhancing this effort.

Overall, he planned to emphasise that the forward strategy was designed to complete a step-change in security and order building on progress made since 1997.

As for the criminal justice system, the aim was to take on the criminal and support witnesses and victims. This was tout work with the Department for Constitutional Affairs and the Crown Prosecution Service (CPS). There had been a transformation in joint working, which was now making a significant difference on the

THE SECRETARY OF STATE FOR CONSTITUTIONS ARFAIRS added that collaborative working was indeed very important and had led to a new atmosphere not just in central Government but regional No.

and locally. Co-terminous local responsibilities were a great help. The aim was to give people confidence in the courts without compromising fairness. Specialist courts dealing with for example anti-social behaviour, drugs and domestic violence would help, as could reforms to legal aid. 49 percent of legal aid was spent on 1 percent of cases. It would also be essential to ensure court orders were obeyed. While there were dissenting voices, a large number of the legal profession supported reform.

THE ATTORNEY GENERAL agreed that collaboration was working, for example through local criminal justice boards. New senior management in the CPS supported change. Prosecutors were becoming more proactive and expert, something he hoped it would be possible to extend to those tackling serious and organised crime, were more supportive of victims and witness and more engaged in the community. Rolling out the system under which the CPS decided the offence to charge people with encouraged better decisions and co-operation. It was expected to bring an additional 30,000 offenders to justice.

The following points were made in discussion:

- the Government's record should be contrasted with that of the main Opposition party, particularly as the Leader of the Opposition had a poor record as Home Secretary when, for example, the CPS had been particularly ineffective and the criminal justice system had not been ioined up:
- the sense of local ownership by the police and others of work to tackle street etime was very impressive, for example in West Yorkshire, as was the effort to target prolific offenders. There were however complaints the police needed to wait a long time to see the local representative of the CPS and this was worth investigating. It was essential that people in local communities did not feel powerless but were offered help and visible patrolling assisted this;
- more effort was needed to work with families involving C. both the police and social service. Most voting male offenders in young offenders' institutions of prison were illiterate and therefore virtually unemployable and most No.

d. the legislative progenave a strong security and some ordinary peoples' quality of life was that they shows afe and that young people should show respect.

Summing up, THE PRIME MINISTER said the launch of the strategies the following Monday would be very important. The Government's contact had the full support of its supporters in Parliament and the strategies of the following Monday would be very important. The Government's contact had the full support of its supporters in Parliament and the strategies of the following Monday would be very important. The Government's contact had the full support of its supporters in Parliament and the strategies of the following Monday would be very important. The Government's contact had the full support of its supporters in Parliament and the support of the strategies of the following Monday would be very important. The Government's contact had the full support of its supporters in Parliament and the support of the strategies of the following Monday would be very important. The Government's contact had the full support of its supporters in Parliament and the s dealt with in a different way to people who offended for other reasons. The strategy was clearly that the system should be tougher, including summary action such as dealing with anti-social behaviour and confiscation of assets. The Attorney General was to be congratulated on improvements in the CPS which now had a real sense of purpose.

> This subject was as important as any other single part of the Government's offer, in order to tackle the feeling in many communities that they were no longer in charge with other improvements in public services, the proposals applied traditional values to a modern world. It would be important to emphasise that the strategy built on changes that had been underway for the last seven years. Tackling anti-social behaviour was particularly important, and the Government's record was much better than that of either of the prosition parties.

> > The Cabinet -

1. Took note.

Prostitution

THE HOME SECRETARY informed Cabinet that he would publishing the following day a consultation paper on prostitue,

There were evident challenges, including the overlap with work on drugs and organised crime and it was right to encourage public discussion even though there no clear solutions to all these problems.

The Cabinet -

2. Took note.

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HOME OFFICE STRATEGIC PLAN UPDATE

David Blunkett

15th July, 2004

Key messages - update

- Security and order the foundation of a progressive agenda, particularly in a period of rapid social change.
- asylum applications down 60% in 18 months, 13,000 more police officers, Building on success - 25% reduction in crime since 1997, fear down, 4,000 CSOs, major reforms across services
- policing, relentlessly targeting prolific offender, the CJS supporting the victim Putting the law abiding citizen first our central theme - neighbourhood
- A cross-Government agenda joined up CJS with DCA and CPS, important roles for education, local government and ODPM, health, and a range of other departments on crime, migration and communities.
- Reflects overall public service reform messages following progress, communities; continued investment in modernisation of technology and specialising and individualising services; working in partnership with

Putting the law-abiding citizen first - details

1. Neighbourhood policing for today's world

- Neighbourhood policing teams enabled through 20,000 of our new CSOs, and releasing equivalent of over 12,000 officers released from the back office to the front line
- Working in partnership with local communities better local accountability, customer service and engagement with communities
- Working with others to prevent and deter crime such as new Safer and Stronger Communities Fund and youth programmes
- Linking to National Intelligence Model and new technology using better intelligence and crime analysis, ANPR, DNA, intelligence exchange, building on substantial investment in IT since 1997

Putting the law-abiding citizen first - details

2. Relentless targeting of offenders, not just the offence

- Uncompromising targeting prolific offenders particularly through electronic tagging and satellite tracking, closer police and probation co-operation as part of new National Offender Management Service
- Directing drug using criminals into treatment ambition of over 1,000 a week by 2008

Putting the law-abiding citizen first - details

- 3. Toughening the criminal justice system to take on the criminal and support the victim system to support the victim (jointly with DCA and CPS)
- Greater support for victims and witnesses Victims Fund, single point of contact once offender arrested, statutory duty on all agencies to support victims
- Greater use of anti-social behaviour powers fixed penalty notices, ASBOs, curfews
- Disrupting organised criminals with new Serious Organised Crime Agency, new powers, recovering more
- Rolling out Criminal Justice Act provisions preventing exploitation of the system, range of new sentences
- Greater enforcement of warrants, fines, bail conditions

Completing a step change in security and order

HOME OFFICE STRATEGY - CONFIDENTIAL: POLICY

	1997	By 2008
Crime prevention and policing	 ♣ Britain one of the highest crime countries in Europe, fear rising ♣ Police numbers 1,000 down, and little direction, no national response to organised crime or ASB 	✓ 6.2 million fewer crimes down nearly 40% ✓ Children & families supported - Sure Start, drugs prevt. ✓ 13,000 more police officers, 20,000 new CSOs ✓ Tailored approaches for different crimes (e.g. Serious Organized Crime Agency) and targeting prolific offenders
The Criminal Justice System (with DCA and CPS/LSLO)	 ◆ Competing priorities between different agencies ◆ Young offenders take av. 144 days to get to court ◆ Piecemeal changes to sentencing framework 	✓ CJS joined up, with common priorities & integrated IT ✓ Sense put back into sentencing and new Sentencing Guidelines Council ✓ 1.25million offences brought to justice, + 25% since 2001 ✓ Community engagement
Reducing re- offending	 ◆ 50% prisoners re-convicted in 2 years ◆ Fragmented youth justice services ◆ Fragmented probation services 	✓ National Offender Management Service ✓ Electronic tagging and intense supervision ✓ CJS directing 1,000 drug user into treatment each week
Immigration and asylum (with DCA, FCO and DfID)	 ◆ Asylum processing average 20 months ◆ Outdated border controls ◆ No strategic approach to managed migration 	✓ E-borders, new border technologies & ID cards ✓ Asylum processing 2 months or less, applications below 1997 levels ✓ Integration and citizenship programmes routine
Communities and race	 Little government support for volunteering ► Race Relations Act outmoded 	✓ Charity law reformed ✓ Community engagement higher (up 5% or more) and faith communities engaged ✓ Modern race laws, greater community cohesion
Terrorism	→ Security services focused on Northern Ireland and cold war threats	✓ Security service substantially larger ✓ Better legal framework

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CABINET

CONCLUSIONS of a Meeting of the Cabinet held at 10 Downing Street on

THURSDAY 22 JULY 2004 at 9.30 am

PRESENT

The Re Hon Tony Blair MP
Prime Minister

The Rt Hon John Prescott MP
Deputy Prime Minister and First Secretary of State

The Rt Hon Jack Straw MP Secretary of State for Foreign and Commonwealth Affairs

The Rt Hon Margaret Beckett MP Secretary of State for the Environment, Food and Rural Affairs

The Rt Hon Dr John Reid MP Secretary of State for Health

The Rt Hon Andrew Smith MP Secretary of State for Work and Pensions

The Rt Hon Tessa Jowell MP Secretary of State for Culture, Media and Sport The Rt Hon Gordon Brown MP Changellor of the Exchequer

The Rythin David Blunkett MP Secretary of State for the Home Department

The Rt Hon Alistair Darling MP Secretary of State for Transport and Secretary of State for Scotland

The Rt Hon Paul Murphy Mr Secretary of State for Northern Ireland

The Rt Hon Patricia Hewitt MP Secretary of State for Trade and Lados

The Rt Hon Hilary Armstrong MP Chief Whip (House of Commons)

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CONFIDENTIAL The Rt Hon Paul Boateng MP The Rt Hon Charles Clarke MP Chief Secretary to the Treasury ecretary of State for Education and Skills The Rt Hon Ian McCartney MP Minister without Portfolio Leader of the House of Commons, Lord Privy Seal and Secretary of State for Wales

The Rt Hon Bareness Amos Leader of the Nouse of Lords and Lord President of the Council

The My Hon Peter Hain MP

The Rt Hon Lord Falconer of Thoroton OC Secretary of State for Constitutional Affairs and Lord Chancellor

The Rt Hon Hilary Benn MP ecretary of State for International Development

ALSO PRESENT

She Rt Hon The Lord Grocott hief Whip (House of Lords)

RETARIAT

Sir Andrew Turnbull Sir Nigel Sheunt Mr P Britto Mr D Bower Mr R Fellgette Katrina Williams Benjamin Saoul

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PARLIAMENTARY BUSINESS

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FOREIGN AFFAIRS
Israel

Sudan

Control of the second s

CONTRACTOR

PARTAMENTARY BUSINESS The Cabinet were informed of the provisional business to be taken in the House of Commons on 7, 8 and 9 September, the first three days after the Summer Recess.

The following points were made in discussion:

- there was an obligation to provide the Opposition with time to debate issues of their choosing, as envisaged in the provisional business on Wednesday 8 September.
 While the normal convention was that there would be no Government statements on Opposition Days it had not proved possible to stick to this on every occasion;
- b. efforts would be made to encourage a full turnout of the Government supporters for the debate envisaged on Thursday 9 September on the European Union (EU) Constitution, although this was an adjournment debate.

In the Lords, the Government had won several votes by small margins following the problement of a number of new life peers.

CURRENT EVENTS

Conduct of the

Previous Reference:

CC(04)16.2

Crime Figures

Previous Reference

CC(03)29.2

2. The Cabinet were informed of the main issues affecting the conduct of the Government in the week beginning Monday 26 July.

THE DEPUTY PRIME STATES. The attention to the benefits of continuing to make public statements about the delivery of Government policy over the summer. THE PROME MINISTER agreed this was important. In his monthly press conference he intended to focus on the impressive progress made in delivering public services and it would be helpful for all departmental Minister to reinforce the message over the summer.

THE HOME SECRETARY informed Cabine of the latest statistics from the British Crime Survey and the figures for recorded crime. The British Crime Survey figures had been based on the same methodology for twenty years, although now involved a larger sample and were thus more accurate. They showed that overall crime had betten 5 percent in the previous year and was down 30 percent compared to 1897. All major volume crimes including burglary, vehicle crime and treet robbery showed falls. Public confidence was rising. The recorded crime statistics now recorded low-level violence such as domestic and sexual violence more fully and the statistics therefore inevitation in the statistics therefore inevitation in the statistics and the statistics therefore inevitation in the statistics therefore inevitation in the statistics therefore inevitation in the statistics therefore inevitation is statistically statistics.

a rise. With more police officers there was likely to be more recorded crime. Nevertheless, the figures for burglary had fallen also by 8 percent, for vehicle crime by 9 percent and the overall level of recorded crime had risen by only 0.6 percent. The overall picture was therefore encouraging, but needed full and careful explanation.

Summing up, THE PRIME MINISTER said the overall picture was indeed very good and efforts had to be made to explain the position carefully and fully.

The Economy

THE CHANCELLOR OF THE EXCHEQUER said that while unemployment had risen on one measure in the previous month, overall the economic picture was a good one with, for example, manufacturing and industrial output rising. However, there were fiscal problems as he had been anable to implement the planned increase in petrol tax duty, with a loss of £34 billion, and as a result of adverse court judgements affecting other revenue. Difficult decisions would be needed about council tax which like fuel duty had a high public profile. Either council tax would go up sharply or further funding would need to be found for local sufficiency or council tax would need to be capped rigorously. As the public finances were now right on the edge of the Government's fiscal rules he could not entertain any claims on the public expenditure reserve for 2005-06. All departments would need to manage within their existing provision.

English Regional Assemblies

THE DEPUTY PRIME MUNISTER said that the House of Commons had agreed the Orders to set a date of 4 November for referendums in the North East, North West and Yerrshire and Humberside. It had also agreed Orders affecting local government structure and providing for a full postal ballot, which would be essential for such referendums. He planned to publish the Regional Assemblies Bill later that day, following consideration of the Orders by the House of Lords. However, the Electoral Commission was considering the use of full postal ballots in the North West and Yorkshire and Humberside and there was a risk it would report they were unsafe. Their report was now due in August. Some of the Government's proporters in Parliament and the country had also queried the plan proceed with all three referendums. If he received an adverse report that the Electoral Commission, for example one suggesting further legislation rior to the referendums, he would be bound to consider that before soing head with them.

On balance, therefore, his proposal was to proceed with the Order and referendum in North East England but not with those in the North West and Yorkshire and Humberside. He would reconsider the position following receipt of the Electoral Commission's report. It should be clear in the Government's statements on the subject that the commitment to the people of the North West and Yorkshire and Humberside that they would have an opportunity to vote in a referendum on regional assemblies remained. The only question was the timing. Given the uncertainties, it would be inappropriate to speculate publicly about when that date might now be.

The following points were made in discussion:

- a. technically in the House of Lords, the Orders relating to the North West and Yorkshire and Humberside would not be moved and, if asked, the Government would explain this was a consequence of the decisions reached Cabinet;
- b. Leads be difficult to sustain interest in referendums in the book West and Yorkshire and Humberside.

 However, a "yes" vote in the North East might set an example for other regions.

Summing up, THE PRIME MEDISTER said Cabinet agreed the Deputy Prime Minister's proposal was sensible. The Orders relating to the referendum in the North East-should be moved in the House of Lords, but not those relating to the office trappregions.

The Cabinet -

1. Took note.

Better Governance in Wales

Introducing his memorandum (C(04)7) on Better Governance in Wales, THE SECRETARY OF STATE FOR WALES (AND) LEADER OF THE HOUSE OF COMMONS said that the Government needed to decide how to proceed in the light of the report of medical hard Commission on the Powers and Electoral Arrangements with the National Assembly for Wales. The Assembly would debate the report in the autumn and would then write to the United Kingdom (UK) confirmment setting out the changes which it would like to see. Ahead of marking had held extensive discussions with Cabinet colleagues, with the bright

Minister in Wales and with other stakeholders, including Welsh Members of Parliament at Westminster. His aim had been to try to produce a consensus on a modest programme of change within the framework of the existing devolution settlement for Wales.

The key proposals were: to change the corporate status of the Assembly in order to produce a formal division between legislature and executive; to amend the electoral system to prevent candidates who had failed to get elected in a first past the post contest being returned as a list member; to establish the principle that Westminster legislation would cormally give the Assembly wider secondary legislative powers; and to publish a consultative paper in the next Parliament with options for enhanced legislative powers for the Assembly, but making clear that any move to primary legislative powers would require a referendum in Wales

Concluding, THE SECRETARY OF STATE FOR WALES AND LEADER OF THE HOUSE OF COMMONS said that PD Committee had discussed this issue on 15 July but concluded that it should be considered by the Cabinet given the potential impact on the devolution settlement as a whole

The following points were made in discussion:

- the Government had not been consulted about the setting up of the Richard Commission and was not bound by its findings. Some of the more far-reaching proposals were not acceptable. Even in Wales opinion on some of the proposals was strongly divided. It should be made clear that any decision to change the devolution settlement for Wales was a matter for the UK Government, not for the National Assembly for Wales. In view of the incremental transfer of powers which had already been made since 1998 there was a strong case for the Government to take stock before going further;
- hanges in the in isolation. The scotland, where a separate review was in progress, and for the English region the Government needed to regain the initiative and the covernment needed to regain t changes in the Welsh devolution settlement could not be d.

steer the public debate away from the Richard proposals. The approach advocated by the Secretary of State for Wales was therefore welcome. There was no consensus in Wales for radical change;

- f. what Wales needed was better administration, not extra powers for the National Assembly. Many of those advocating legislative powers were doing so because they wanted to use such powers to slow down reform;
- g. the approach proposed in the paper, for modest change consistent with the existing settlement and a referendum before more radical change could proceed was right. Significant change in the present devolution settlement ran the risk that the UK Parliament would increasingly come to be seen as an English Parliament and this had to be avoided;
- h. The proposals in the paper were a minimalist solution and the least worst available if the Government was to head off a severe split amongst its supporters in Wales;
- the Cabine veeded a fuller discussion of the experience of devolution so far and of the future direction of travel. However, we was essential to avoid giving the impression that the Government was ready to look again at the fundamentals of the devolution settlement;
- j. there was a bigger interpring issue about the propensity of the devolved administrations to promise more than they could deliver within their budgets and to blame under-funding by the UK Government for the failure to deliver. Yet the Scottish Parliament had so far declined to use its power to increase income tax. A similar phenomenon of spending without real responsibility was seen in London and in the case of scal authorities, where no solution was in sight to the state of problem of funding local services. The Cabinet would used to return to these issues at some point;
- k. financing London's need for infrastructure investment posed a real challenge for the Government. There were

similar issues in some English regions. Finding ways to enable the regions to contribute towards these costs was important and would be worth a further discussion in Cabinet;

the devolution settlement in Scotland had been a success.
 The Scots no longer looked to the UK Government for the resolution of all their problems. The aim of giving the Scottish Parliament the right to increase income tax had indeed been to increase its sense of responsibility, not to augment its powers;

it was unhelpful that the debate in Wales concentrated on questions of structures and powers rather than on resolution of the social and economic issues facing the people of Wales. Although devolution in Wales had in bractice not worked well, the UK Government had not street its views on this and this put it in a difficult least incomparison. It was not desirable that Wales should move countries the Scottish devolution model: the political tradition in the two countries was quite different.

Summing up the discussion, THE PRIME MINISTER said that the modest programme of charge proposed by the Secretary of State for Wales was within the broad pranework of the existing devolution settlement in Wales and provided the basis on which to manage the consequences of the Richard Commission. The Cabinet rejected the Commission's more far-reaching proposals and in particular did not believe that the National Assembly broad have power to make primary legislation. There was no appetite to Wales for a further referendum on devolution and this provided a brake on such radical change. Most people both in Scotland and Wales were satisfied with the devolution settlement, which had lanced the boil of separation. There were longer term questions around devolution and in particular about getting a better alignment between spending powers and responsibility for raising the necessary taxation to which the Cabinet would not be to return.

The Cabinet -

Took note of the Prime Minister's summing up of their discussion and invited the Secretary of State for Water and Leader of the House of Commons to proceed accordingly.

AFFAIRS

THE FOREIGN AND COMMONWEALTH SECRETARY said that the United Nations General Assembly resolution on the Israeli barrier had been passed with a vote of 150 for and a handful of countries against. With the EU 25 we had voted for the resolution, because the language of the resolution reflected our position on the barrier itself and on the International Court of Justice not having jurisdiction. There were also references to terrorism and the responsibilities of the Palestinian authority.

THE FOREIGN AND COMMONWEALTH SECRETARY said that the situation in Darfur was serious although it was hard to get accurate information. There was debate as to whether the situation amounted to genocide. The rebels supported by Eritrea had caused a vicious reaction by Arab paramilitaries, backed by the Sudanese Government at an early stage. We were providing the largest aid donation in cash of £64.5m and were working closely with the United States of America. Secretary of State Powell would be talking to United Nations Secretary General Annapageay. Pressure had to be maintained on the Sudanese Government; the possibility of a United Nations Security Council resolution to require surfanese action was under consideration, although the threat of it might be more useful than the reality. Work on what more the EU could do to susport monitoring by the African Union was in train.

THE SECRETARY OF STATE OR INTERNATIONAL DEVELOPMENT said that international pressure had caused the Sudanese Government to dismanue restrictions on aid imports. The donations, though large, were still pradequate and there was a shortage of people on the ground to deliver the aid, together with fuel shortages and the start of the rainy season. Aid convoys were being robbed by the Janjaweed militia. The situation had to be kept under close review. Pressure from non-governmental organisations and public opinion could call for more action, including the provision of better security.

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CABINET

CONCLUSIONS of a Meeting of the Cabinet held at 10 Downing Street on

THURSDAY 09 SEPTEMBER 2004 at 9.00 am

PRESENT

The RI HON Tony Blair MP Prime Minister

The Rt Hon John Prescott MP
Deputy Prime Minister and First Secretary of State

The Rt Hon Jack Straw MP
Secretary of State for Foreign and Commonwealth

The Rt Hon Margaret Beckett MP Secretary of State for the Environment, Food and Rural Affairs

The Rt Hon Dr John Reid MP Secretary of State for Health

The Rt Hon Paul Murphy MP Secretary of State for Northern Ireland

The Rt Hon Patricia Hewitt MP Secretary of State for Trade and Industry the Rt Hon Gordon Brown MP Charcellor of the Exchequer

The Re 1900 David Blunkett MP Secretary of State for the Home Department

The Rt Hon Aristair Darling MP
Secretary of State for Transport and Secretary of
State for Scotland

The Rt Hon Alan Milburn Mil Chancellor of the Duchy of Lancaster

The Rt Hon Geoff Hoon MP Secretary of State for Defence

The Rt Hon Tessa Jowell MP
Secretary of State for Culture, Media and

CONFIDENTIAL

The Rt Hon Hilary Armstrong MP

The Rel Hon Paul Boateng MP Chief Secretary to the Treasury

The Rt Hon lan McCartney MP Minister without Portfolio

The Rt Hon Lord Falconer of Thoroton QC Secretary of State for Constitutional Affairs and Lord Chancellor

CONFIDENTIAL

The Rt Hon Charles Clarke MP Secretary of State for Education and Skills

The Rt Hon Peter Hain MP Leader of the House of Commons, Lord Privy Seal and Secretary of State for Wales

The Rt Hon Baroness Amos Leader of the House of Lords and Lord President of the Council

The Rt Hon Hilary Benn MP Secretary of State for International Development

The Rt Hon Alan Johnson MP Secretary of State for Work and Pensions

ALSO PRESENT

The Keylon The Lord Grocott Chief (House of Lords)

SECRETARIAT

Sir Andrew Turabul Mr K Darrock Mr P Britton Mr D Bowen Mr R Fellgett

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Control of the second s

The Prime Minister said that the Cabinet wished to record its thanks to Andrew Smith for his contribution to the Cabinet and welcomed the new Chancellor of the Duchy of Lancaster and Secretary of State for Work and Pensions

The Cabinet were informed of the business to be taken in the House of Commons in the week beginning Monday 13 September and of the provisional business for the week beginning Monday 11 October. On Wednesday 15 September the Common was to take all stages, Hunting Bill, on a free vote. The intention was to take all stages, including the suggested amendment delaying implementation of ban on hunting with dogs, in a single day.

In the Lords, the Employment Relations Bill had successfully completed its passage. However, the Government had suffered a significant defeat on the Armed Forces and Pensions Compensation Bill, which if not reversed would lead to an expensive increase in war pensions.

THE PRIME WINDSTER said the Government had promised to resolve this issue in the current Parliament. The Bill passed by the Commons had therefore been re-introduced together with a suggested amendment delaying implementation by years. Support for the suggested amendment would be invocatint as it would give those involved in hunting time to adjust. If your furthermore mean the ban would not come into effect until after a General Election, so those still opposed to the ban on hunting should make their case in an election not resort to civil disobedience. There would be a free vote and in his view the most important thing was that the will of the Commons should prevail.

The following points were made in discussion:

- the proposed delay would be being. It was indeed some opponents of the hunting ban especially in the Lords, who had become obsessed (with) the issue whereas the real question was whether the will at the elected Commons should prevail;
- it was helpful the police were now saying they would not need to devote additional civil disobedience by supporters of near mind that they already had to devote resources uppolicing hunts and those opposed to them. However, b.

well as giving time to sort out the fringe employment issues, a delay would be helpful in providing time to work with the police to adapt their approach to the new forms of civil disobedience that were threatened by some hunting supporters;

- the proposed two year delay should help when the Bill reached the Lords, which had previously failed to reach a conclusion on the legislation;
- a two year period might not be exactly right as allowance had to be made for the start of the stag hunting season on 1 August each year.

Summing up, THE PRIME MINISTER said this was a subject which provoked deep rooted passions but it would be sensible to explain to all shades of opinion that a measured approach, involving some delay, was worth considering seriously.

Conduct of the Government:

The Calcing were informed of the main issues affecting the conduct of the Government in the week beginning 13 September.

THE DEPUTY PRIME TANISTER thanked departments and junior Ministers for their work over the summer, and in particular thanked the Minister of State for School Standards for his handling of media coverage of examination results. The main Opposition party had made a number of policy announcement which deserved close scrutiny. He also thanked the Secretary of State for Defence and his department for the preparations the Armed Forces had made for dealing with any further firefighters' strike which had belped bring the dispute to a conclusion without industrial action. What had been agreed was within the terms set out two years previously.

THE PRIME MINISTER said that the most important thing over the next few weeks would be to focus on policy, and to imphasise the dividing lines between the Government's approach and that of the main Opposition party which had not only made a number of the thought through suggestions but seemed to be moving further to the right.

THE MINISTER WITHOUT PORTS
their contribution to reaching a policy understanding their contribution to reaching a policy understanding their contribution on many issues, although some relating to railways, Hause quincing the property of t

THE SECRETARY OF STATE FOR TRADE AND INDUSTRY added that it had been very helpful to achieve agreement on forward looking labour market policies that emphasised a positive agenda, including the work/life balance, which had the support of the Confederation of British Industry as well.

THE DEPUTY PRIME MINISTER said that the referendum in the North East on a regional assembly would take place on 4 November. The information campaign to explain the proposals to the electorate was almost complete. It was essential that the Government should win the te and therefore was important that all Ministers should contribute to a successful campaign by putting across the arguments in favour of an assembly. He would circulate a briefing note to Ministers for this purpose. Public opinion in the region appeared to be turning in favour of an assembly: the latest polling showed a ratio in favour of 2:1 but with 45 percent of those polled still undecided.

Continuing, THE DEPUTY PRIME MINISTER said that the decision not to proceed watereferenda in Yorkshire and Humberside and in the North West had been xindicated by the report of the Electoral Commission on the use of full postal ballots in the European and local elections earlier in the cult. The Commission would produce a fuller report on postal ballots in Narch 2005, taking account of the experience in the forthcompropreferendum in the North East. It was likely that they would recomprosed the retention of at least some polling stations even if the majority of dectors chose to vote by post.

Summing up a brief discussion, FIFF RIME MINISTER said that an argument in favour of an assembly in the North East was that it would be accompanied by reorganisation of local government to produce single tier authorities. Since the present local government structure, in County Durham at least, worked badly this ought to appeal to the electorate.

The Cabinet -

1. Took note.

THE FOREIGN AND COMMONWEALTH SECRETARY said that the Sudanese Government had complied with some of the requirements placed upon it by United Nations Security Council Resolution 1556, but by no means all. Food was getting through and the humanitarian situation had improved. Talks between the rebels and the Government had started under the sponsorship of President Obasanjo of Nigeria, but security in Darfur continued to be unsatisfactory. Pressure had to be maintained on the Sudanese Government: the United States of America, Germany and we would be So-sponsoring a further Security Council resolution to set benchmarks and a timetable, with a clear threat of sanctions if there was inadequate improvement. In all of this, we were working closely with the African Union. The pressure applied to the ramshackle Sudanese Government had to carefully calibrated to achieve the right effect. The North-South septement being negotiated at Naivasha should be concluded quickly so that it could act as a template for political resolution in Darfur, attough the Sudanese Government had not yet accepted this proposition. Figally, the British Government had done more than any other to resolve this crisis, including providing the largest cash contribution of £657

In discussion the following points were made:

- any sanctions applied to the Sudanese Government would a. need to be well targeted;
- ensuring that the African countries on the United Nations b. Security Council supported the new resolution was vital;
- European Union and other support for the African Union C. deployment of monitors and troops should continue;
- on the rebels as well as d. pressure had to be maintained the Sudanese Government;
- the United Nations' engagement over Excan indicated the continuing focus on inter-state contrict eather than the problems of intra-state conflict.

Summing up, THE PRIME MINISTER said that we should our leading efforts to resolve the crisis in Darfur and Sudan and

The Cabinet -

2 Took note.

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THE FOREIGN AND COMMONWEALTH SECRETARY said that last week's massacre, which started with the terrorist hostage-taking at a school in Beslan, was the equivalent for Russia of the September 2001 attacks on the United States of America, whatever the failings of the Russian security forces. The authorities' priority had been saving the children; and the explosions, which had sparked off the conflagration, had been set off by the terrorists. Two aspects marked out this atrocity: the death-toll of about four hundred and the barbarity of detaining large numbers of very young children and denying them food and water. The Russian world view had been changed by these events we needed to change our response to Russia as a result. The United Kingdom had identical interests to those of Russia in fighting terrorism. The issue of Chechnya still needed to be addressed, context. These were opportunities for closer cobut in a char operation.

In discussion the following points were made:

- The Russian Defence Minister had a very hard-line position of British assistance with terrorism could be difficult;
- Russia was likely demand the extradition of g. Chechens who had been granted asylum here.

Summing up, THE PRIME MINIS KER said that he had had a good conversation with President Putin of Russia. The bilateral relationship would change; the United Kingdom was regarded as a solid ally. Russia could be expected to adopt an aggressive position towards terrorism. Meanwhile, he intended to consider with colleagues our approach to foreign nationals in the United Kingdom whose activities fell short of incitement to violence but were close to the borderline. Terrorism was being perpetrated throughout the world be example in Jakarta yesterday and in Bangladesh recently, by extremists operating within countries with a substantial Muslin population.

The Cabinet -

3. Took note.

THE SECRETARY OF STATE FOR INTERNATIONAL DEVELOPMENT said that his visit to Baghdad and Basra had enabled him to feel the difference since the transfer of sovereignty. Prime Minister Allawi was clearly in charge, although he had been much preoccupied with the security situation and Moqtada al Sadr's insurgency in Najaf. Prime Minister Allawi was reaching out to Sunnis, and he also needed to do the same in the South, where a new Governor was now in place in Basra and where the general mood was one of persistent victimisation. Reconstruction was continuing, although it had been affected adversely by the security situation. The key priority for Iraq was the national elections to be held before the end of January 2005. The electoral commission intended to use the food distribution list, for which the United Nations need to lend their active support.

In discussion the following points were made:

Iraq was not the cause of terrorism, but was the excible in which Islam and the Arab states would whether they could embrace freedom and demostracy;

i. success to elections were essential, both in Iraq and in

Summing up, THE PRIME WINTER said that the build-up of the Iraqi security forces was proceeding; and the political process had to offer an opportunity for all patters participate or otherwise be marginalised. Moqtada Al Sadr Visioent methods had alienated the locals in Najaf. The coalition had as send strong signals that they would stay until the job was done so that Iraqis would not fear that they would be abandoned. The Iraqi people had to believe in a democratic solution and see the reality of elections. Those who opposed us through terrorism had a clear strategy to plunge the country into chaos. It was a fallacy to see the only alternatives for collical control as brutal dictatorship or religious fundamentalism and we usefuld to be as clear-headed in our strategic aims as were the terrorists in theirs.

The Cabinet -

4. Took note.

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CABINET

CONCLUSIONS of a Meeting of the Cabinet held at 10 Downing Street on

THURSDAY 16 SEPTEMBER 2004 at 9.00 am

PRESENT

The Whon Tony Blair MP

The Rt Hon John Prescott MP
Deputy Prime Minister and First Secretary of State

The Rt Hon David Blunkett MP Secretary of State for the Home Department

The Rt Hon Alistair Darling MP Secretary of State for Transport and Secretary of State for Scotland

The Rt Hon Alan Milburn MP Chancellor of the Duchy of Lancaster

The Rt Hon Patricia Hewitt MP Secretary of State for Trade and Industry

The Rt Hon Hilary Armstrong MP Chief Whip (House of Commons) Scenarary of State for Foreign and Commonwealth

he Rt Hon Jack Straw MP

The At How Margaret Beckett MP Secretary of State for the Environment, Food and Rural At Kars

The Rt Hon Dolon Reid MP Secretary of State for Health

The Rt Hon Geoff Hoon of Secretary of State for Determined

The Rt Hon Tessa Jowell MP
Secretary of State for Culture, Media and Sport

The Rt Hon Charles Clarke MP
Secretary of State for Education and Skill

CONFIDENTIAL The Rt Hon Paul Boateng MP eter Hain MP Leader of the House of Commons, Lord Privy Seal ef Secretary to the Treasury and Secretary of State for Wales The Rt Hon Ian McCartney MP The Rt Hon Baroness Amos Minister without Portfolio Leader of the House of Lords and Lord President of the Council The Rt Hon Lord Paleoner of Thoroton QC The Rt Hon Hilary Benn MP Secretary of State for International Development Secretary of State of Constitutional Affairs and Lord Chancellor The Rt Hon Alan Johnson MP Secretary of State for Work and Pensions ALSO PRESENT The Rt Hon The Lord Grocott ief Whip (House of Lords) ETARIAT Mr R Fellge CONTENTS Page Subject PARLIAMENTARY BUSINESS Palace of Westminster Security London Olympic Bid

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United Nations

PARTIAMENTARY BUSINESS

Palace of Westminster Security The Cabinet were informed of the business to be taken in the House of Commons in the week beginning Monday 11 October and of the provisional business for the week beginning Monday 18 October.

THE LEADER OF THE HOUSE OF COMMONS AND SECRETARY OF STATE FOR WALES said that the intrusion into the Chamber of the House of Commons on the previous day of protestors against the Hunting Bill raised serious questions about security at the Palace of Westminster. Although a matter for the House authorities, the Government could not be indifferent to it not least because people tended to assume that it was the Government's responsibility. The present arrangements for the finanagement of security in the Palace of Westminster were old fashioned and ineffective and he had been pressing the House authorities for months for reform, including the appointment of a director of security.

The following points were made in discussion:

- a. Jegent incidents had shown the security arrangements both the Palace of Westminster and at the Royal Palaces to work and any further breaches would damage the Government's reputation. Security at the Palace of Westminster needed to be radically overhauled, taking account of the recommendations of the Metropolitan Police and the Security Service;
- b. the Government needed to challenge the House authorities to make the necessary improvements. The argument that the Palace of Westernster was not part of the public realm and was hence the exclusive responsibility of the two Houses was weak, given the large numbers of members of the public who visited we Palace;
- c. the Government had in the past been reluctant to use its large majority to force improvement) in the security arrangements in the Palace of Weaparts to but, if the House authorities would not now the distribution, the Government should be prepared to for the issue;
- d. the large number of workmen engaged in the discrent major programme of works in the Palace of the standard posed a potential security threat. It was not clear that the vetting process for these people was rigorous. Or the other hand, vetting so large a number of people the property of the people was rigorous.

would be a major challenge;

- action also needed to be taken to remove the nuisance caused by protestors camping in Parliament Square, and in particular their use of loud hailers;
- f. more needed to be done to control large demonstrations around the Palace of Westminster, which often made access to the Palace impossible;
- g. the tactics of those protesting against the Hunting Bill were to depict it as the Government's poll tax to give the impression that the Government was losing the support of middle England;

although there was a joint committee on security between both Houses of Parliament, the two Houses insisted on scharate control of their security arrangements. This was althouger sensible, though it could be difficult to change;

i. whatever changes in security were made, they would need to accomplate the legitimate needs of the many visitors to the many of Westminster, including members' constitution.

Summing up the discussion, THENRIME MINISTER said that the House of Commons Commission, chaired by the Speaker, would shortly consider the report on security pergree by the Metropolitan Police and the Security Service. The Leader of the House would represent the Government in those discussions. If the Commission was not prepared radically to overhaul the security arrangements in the Palace of Westminster, the Government should consider what action it could take to bring about the necessary improvements.

The Cabinet -

1. Took note.

CURRENT EVENTS

2. The Cabinet were informed of the main issues affecting the wonduct of the Government in the week beginning Monday 20 September.

London Olympic Bid

THE DEPUTY PRIME MINISTER noted there remained issued with the financing of the Olympics, were London to succeed in its

host them in 2012, which required discussion separately.

THE PRIME MINISTER then invited Lord Coe and Keith Mills, respectively Chair and Chief Executive of London 2012, to join the meeting.

THE SECRETARY OF STATE FOR CULTURE MEDIA AND SPORT explained that London's candidate file needed to be submitted to the International Olympic Committee (IOC) by 15 November. The bid was winnable and had been strengthened by work done during the Olympic games in Athens recently. To win, the bid needed to be technically sound, visionary and visibly supported across Government, by other key institutions and by the public. Winning would enhance the United Kingdom's image and bring economic benefits. It would help put sport at the centre of social cohesion and regenerate one of the country's poorest communities, including creating the biggest urban park for over 200 years She was most grateful to the Foreign Secretary in his capacity as chair of the Committee on the Olympic Games (MISC25) and to other collection including the Deputy Prime Minister and Secretary of State for Transport by their work in support of the bid. She was confident that the bid sould be successful if everyone pulled together.

LORD COE then gave apresentation (attached) on the London bid. Athens had provided a good springboard, thanks to the success of the Great Britain team and helphofile support by the Government and the Mayor of London. London could win because the bid was technically strong, would provide a compact games and leave an important legacy.

London's attraction as a global centre linked to youth culture would be important.

Questions had been raised about transport, but in fact travel distances would be shorter than those of competing bids. The main venues would be served by 10 rail lines, 9 of which had already been built and the other (the East London Line extension) had been agreed and would be very important. Transport had therefore been turned from negative to a positive aspect of the London bid. He had every intertion of living within the spending limits for the games. Even more protected than issues like transport, the environment and finance how would be the bid had sport at its heart.

For the whole United Kingdom, the games would enhance regional unity and identity. In addition there would be economic benefits sucadditional 11,000 jobs in East London and all new build facilities

leave a sustainable legacy. The need for over 70,000 volunteers to support the games would provide a major opportunity for social inclusion and volunteering.

Turning to the politics of the bid, the timetable was that in November and December the IOC would test public support in the United Kingdom. In February and March 2005 there would be a visit by the Evaluation Commission, which would mount a rigorous examination of the bid. The IOC would then vote on the bids in July 2005. This could well be a tight vote in which second, third or even fourth preferences counted, so it would be important to understand the perspective of every member of the IOC. In his view, among the competitors Moscow might well drop out, New York had significant problems (for example over finance) and while Madrid had put in a serious bid Spain had hosted the games as recently as 1992. Pure key competitor was therefore Paris, which had been preparing for lotter and in some respects London had therefore had to catch up. However, Ore Paris bid had its own problems, including transport.

Lord Coe the sked all members of Cabinet to help London win the bid, within the constraints of the rules, by identifying the benefits for domestic policies and the ping maintain and build support domestically and internationally the office would provide further information on how this could be done.

As chair of MISC 25, THE COREIGN SECRETARY said he was satisfied all Government deptations were behind the bid and had mainstreamed it into their policy development and delivery. The Foreign and Commonwealth Office was working internationally to support it.

The following points were made in discussion:

- Ministers needed clear guidance on what they could appropriately say in what circumstances to support the bid:
- b. there were important synergies with cattor links abroad, including the 'global gateway of tative to establish enduring relationships between the base here and elsewhere, the 'dream team' programme of porting exchanges and the 'London higher' group of the universities in London:
- c. involving 70,000 or more volunteers from around

United Kingdom should indeed leave a welcome legacy of civic engagement;

- d. it would be essential to explain that this was not just a bid on behalf of London but was for the whole country including the North of England (which offered excellent football venues) as well as other regions and countries. It was essential to avoid any impression that resources were being diverted from North to South;
- the international reception at the forthcoming Labour Party Conference might provide another opportunity to influence opinion formers abroad.

Responding. LORD COE said he agreed it was very important to underline the United Kingdom-wide benefits of the bid succeeding. The Sydney spress for example had produced major economic benefits. He strongly access with the comments made about civic engagement and education lines.

Summing up, THE DEME MINISTER thanked Lord Coe and David Mills for their presentation and for the excellent work of London 2012. It was clear that the technical quality of the bid was very strong. While Paris had some advantages have could be overcome with strong public support for the London bid despite the fact the British media were less supportive than the French. A world be essential for all 120 members of the IOC to understand how a London games would contribute to the Olympic ideal.

The Cabinet -

2 Took note.

FOREIGN AFFAIRS

Iraq

Previous Reference

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3. THE FOREIGN AND COMMONWE THE SECRETARY said that the security situation in Iraq remained serving to days ago attacks in Baghdad had resulted in 47 dead and 150 injured; and today we had reports of one British and two American contractors being kidnapped. On the kidnapping, we would be doing everything possible to secure the victim's release. The Prime Minister would be seeing the winding Iraqi Prime Minister over the weekend to review the political situation reconstruction and security.

THE FOREIGN AND COMMONWEALTH SECRETARY sa

Previous Refer

negotiations continued in Vienna on a resolution for the next meeting of the Board of Governors of the International Atomic Energy Agency to address the problem of Iran's nuclear ambitions.

THE FOREIGN AND COMMONWEALTH SECRETARY said that work continued in the United Nations Security Council on a follow-up resolution. There was difficulty over a commission of inquiry into humanitarian crimes. As regards the American characterisation of events In Darfur as genocide, the problem itself had to be sorted out irrespective of the definition.

THE FOREIGN AND COMMONWEALTH SECRETARY

said that United Nations Secretary General Kofi Annan's remarks in an interview which questioned the legality of the invasion of Iraq were unhelpful. The Secretary General had been unwise to be drawn in this way. The britten position on legality had been set out to Parliament in March 2005 shad registered a protest with the Secretary General's office and her the set of would be meeting Kofi Annan next week in New York

In discussion the following points were made:

- a further damaging comment made by the Secretary General har been about the potential difficulty of holding elections in Iraq. As Secretary General he should be displaying more determination to succeed;
- the United Nations at Mide to Iraq continued to be coloured by the attack on their offices there of August b. 2003 and the inadequacof their own security arrangements at the time;
- elections were critical to progress in raq and polling indicated widespread support for the



Rt Hon Tessa Jowell MP

Introduction

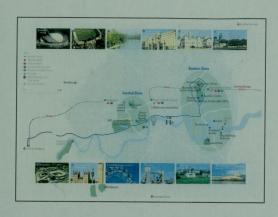
Purpose of Presentation

- Progress Update
- UK Benefits
- How you can help















What Games can do for the UK

National unity and identity

Economic Benefits - UK plc

Preparation Camps

Legacy use of facilities

Health and physical activity

Social inclusion/Volunteering



Foreign visits

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Foreign visits



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CABINET

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CONCLUSIONS of a Meeting of the Cabinet held at 10 Downing Street on

> THURSDAY 14 OCTOBER 2004 at 9.30 am

> > PRESENT

The Retroit Tony Blair MP

The Rt Hon John Prescott MP
Deputy Prime Minister and First Secretary of State

The Rt Hon Jack Straw MP Secretary of State for Foreign and Commonwealth Affairs

The Rt Hon Alistair Darling MP Secretary of State for Transport and Secretary of State for Scotland

The Rt Hon Alan Milburn MP Chancellor of the Duchy of Lancaster

The Rt Hon Geoffrey Hoon MP Secretary of State for Defence

The Rt Hon Hilary Armstrong MP Chief Whip (House of Commons)

The Rt Hon Gordon Brown MP Changellor of the Exchequer

The Rt Hon David Blunkett MP Secretary of State for the Home Department

The Rt Hon De John Reid MP Secretary of State for Health

The Rt Hon Paul Murphy (IP) Secretary of State for Northern Jieland

The Rt Hon Tessa Jowell MP
Secretary of State for Culture, Media and Sport

The Rt Hon Charles Clarke MP Secretary of State for Education and Skill

Rt Hon Paul Boateng MP

The Rython Mn McCartney MP Minister without Portfolio

The Rt Hon Lord Eat oner of Thoroton QC Secretary of State for Constitutional Affairs and The Rt Hon Peter Hain MP Leader of the House of Commons, Lord Privy Seal and Secretary of State for Wales

The Rt Hon Baroness Amos Leader of the House of Lords and Lord President of the Council

The Rt Hon Hilary Benn MP Secretary of State for International Development

The Rt Hon Alan Johnson MP Secretary of State for Work and Pensions

ALSO PRESENT

Rt Hon The Lord Grocott (hie) Whip (House of Lords) SECRETARIAT Sir Andrew Unibull Mr K Darroll Sir Nigel Shenjovals

Nigel Shein ald Mr P Britton Mr D Bowen Mr R Fellgett

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Conduct of the Government
Police Reform
Public Health

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FOREIGN AFFAIRS

COMMITTELLA

CONTRIBUTION

The Cabinet were informed of the business to be taken in the House of Commons in the week beginning Monday 18 October and of the provisional business for the week beginning Monday 25 October. It was important that all Ministers should be ready to vote in the debate on programming and other House of Commons matters which was provisionally to be held on Tuesday 26 October.

THE CHIEF WHIP (HOUSE OF COMMONS) said that it was intended shortly to announce the provisional Parliamentary calendar for the following year based on the necessary assumption that there would be no General Election in that year. There would be no September sittings in 2005 because of the need to carry out construction works in the House of Commons chamber. In constructing the calendar, the Business Managers had deliberately adopted a cautious approach, for instance in relation to the proposal to rise as late as 28 July for the Summer Recess. In practice, it might be possible to bring forward the date of the Recess.

THE LEADER OF THE HOUSE OF COMMONS said that, under the provisions of the Freedom of Information Act, the expenses of all Members of Parlament would be made available publicly on the Parliamentary website a Thursday 21 October. There was agreement between the main portical parties that it would not be sensible to try to make political capital materials information.

Summing up a brief discussion. THE PRIME MINISTER said that there was certainly a risk that some people would try to use this information to attack Members of Parliament but there was no choice under the law but to publish it.

It was noted that, in the House of Lords, the threat by the main Opposition party to disrupt the Government's programme on account of disagreement about the Hunting Bill seemed to have receded.

CURRENT EVENTS

The Cabinet were informed of the main issues affecting the conduct of the Government in the week beginning Anday 18 October. THE CHANCELLOR OF THE DUCHY OF LANCASTER said that there was a strong programme of Ministerial speeches and announcements for the following week in which the Government could demonstrate not only confidence in its own record but also have that it had forward-looking policies and a clear vision for the future of the United Kingdom (UK). THE SECRETARY OF STATE FOR EDUCATION AND SKILLS said that the Tomlinson Report of No.

education would be published on 18 October with an initial response from the Government. Much work had been done with stakeholders and there was a good prospect that the report, which made a strong vocational offer, would be well received. He would circulate to the Cabinet a summary of the report's recommendations.

The Cabinet expressed its condolences to the family of Kenneth Bigley, killed by his abductors in Iraq.

THE DEPUTY PRIME MINISTER said that the campaign ahead of the referendum on 4 November on a Regional Assembly for the North East was going well. Voters seemed more or less evenly divided between those for and against the proposal and those who had not yet made up their minds. He was grateful to those Ministers who had visited the region to campaign: once the postal ballot forms had been issued, Ministers would need to campaign in a personal rather than a Ministerial capacity.

THE DEPUTATIONE MINISTER said that holding down council tax increases for 2005 was one of the biggest challenges that the Government would the in the following year. The spending pressures facing local government were such that, without further action by Government, the average tax increase could be 10 percent or more. Although council tax carping would be necessary and, if needed, a tougher regime could be applied than for 2004/05, capping alone could not assume the whole burden of binging the tax increase down to a reasonable level. All Ministers needed to make the case for spending restraint, efficiency and responsible lar-setting by local authorities. It was essential that Ministers did not produce new initiatives if these were unfunded and would therefore the up the level of the council tax.

THE CHANCELLOR OF THE EXCHEQUER said that colleagues should not assume that the council tax problem could be solved by providing more resources from the Reserve. The Reserve for 2004/05 was exhausted and that for 2005/06 was already per reavily committed. The gap between what councils might want to spend and what they could afford to spend with a 5 percent average council tax in these was of the order of £1.2 billion. It was essential for departments authority expectations downwards. Capping would have a blesto play. If it proved necessary to put in additional resources, these would reed to come from departments' existing programmes. While department regard their resources as committed, all departments were required to

Previous Reference:

Previous Reference:

maintain reserves which could if necessary be used for this purpose.

Continuing, THE CHANCELLOR OF THE EXCHEQUER said that the outlook for the public finances was difficult and there was concern about inflationary pressures. Pay rises in the economy as a whole were running ahead of expectations, there was strong upward pressure on commodity prices and the large current increase in oil and gas prices would be bound to impact on inflation. The increase in the price of oil and therefore of road fuel made it impossible politically to increase fuel tax in the near uture. It was essential that the Government maintained its reputation for beal discipline and this should condition any response to the council tax problem.

Summing up a brief discussion, THE PRIME MINISTER said that the oil price rise rused real economic problems and there was unlikely to be any short um blution. It was essential that the increase in 2005/06 council taxes was reasonable but local authorities would feel no obligation to hold the tax the price of the Government appeared to be encouraging higher spending. An apportunents should therefore avoid action which would push up local authority, spending unless extra resources were provided.

The Cabinet

1. Took note.

Conduct of the Government Previous Reference: THE PRIME MINISTER sale that in the coming months the message that the Government needed toget across to the public was that Britain was working. The Government method to communicate a sense of achievement and of its successful record. It had held the initiative in July with the publication of a series of 5 year plans and needed to regain that degree of momentum. All departments needed to demonstrate a strong forward policy agenda and to ensure that announcements of new policy made a real impact. He would be meeting departmental Ministers to discuss their plans and also to consider progress of helivery: the aim should be to ensure that all targets at present showing unber were green by the end of the year.

The Cabinet -

2. Took note.

Police Reform

THE HOME SECRETARY gave a presentation (attached) entire

"Building communities, beating crime - a better police service for the 21st Century". He said there had been major improvements since 1997, with in particular crime down 30 percent according to the British Crime Survey. While there were debates about statistics, this was undoubtedly the best measure of overall crime. However, further progress was needed as crime was still above the European Union (EU) average and confidence in the police was declining and was lower among ordinary members of the public who had been in contact with the police service. The vision was therefore to reduce overall crime and disorder, delivitep-change improvement in customer service and expand effective The vision was therefore to reduce overall crime and disorder, deliver a peghbourhood policing. A particular effort was needed to improve customer responsiveness and bring the whole police service to recognise that improvement was an opportunity not a threat.

The police had to lead the fight to reduce overall crime and disorder so as to provide the basis for social progress and for people to feel more secure. Better police performance would follow, for example, from using science and technology including forensics, better. At present, some police forces used forces much better than others. Clarity was needed about the role and powers Community Support Officers and of Constables. There should be a major role for local authorities exercising their responsibility for community safety. The education service had an important role to play in picking up problems early. Major changes were needed in the Probation Service, on which he would be putting forward further proposals.

It would be essential to deliver stee change improvement in customer service, through new national minimum, standards, empowered citizens and greater responsiveness to the purity. Too many members of the public felt the police did not listen to them properly. An expansion of effective neighbourhood policing required new resources to be matched by a new relationship with the public. The Neighbourhood Policing Fund would support an increasing number of Community Support Officers without reducing the number of police. There had to be a visible and accessible presence in every community. Commenters and the police needed to work together to tackle crime and anti-social behaviour. There eeded to ad in fact been a major lown 42 percent. Neighbourhood percent. Neighbourhood percent. Seighbourhood percent district, police force and national level. Further given to how to get funding direct to Basic Command University to be It would be essential for the Cabinet of the relevant local authority to be directly represented on police authorities but there was a question had

over continued membership by Magistrates. The present police structure and boundaries were a major issue, but this needed to be tackled separately.

In addition, thought needed to be given to the mechanisms for triggering action if the police were not doing a good enough job. Accredited local groups could be able to require the police to meet with community groups, and in extreme cases local authorities might have the power to trigger an inspection.

Concluding, THE HOME SECRETARY proposed ten commitments to White Paper on 9 November, followed by the National Policing Plan on 24 November.

The following points were made in discussion:

- While much of the Home Secretary's proposal was enable, further discussion was needed about funding sements and local accountability, including the role of local authorities. Both raised serious practical issues;
- more generally, the proposals needed to be fully considered by Domestic Affairs (DA) Committee. It was unfortunate that a date had been set for publication of the White Paper as better practice was to achieve broad collective agreement before making a commitment to publication:
- all departments' forward plans, including that for the police, needed to take account of the fact that there was as vet no agreement on funding for the years 2008-09 and 2009-10. On current projections, average real terms increases for departments in those years would be only 1.9 percent and, to allow higher increases for some, other departments might well face real terms reductions. No commitments should be made that world call into question the Government's ability to fund the plans without tax rises or increases in borrowing;
- discussions with at least some Chief Constable d. they didn't want more tools but did want to get or and No.

CONTRACTOR OF THE PARTY OF THE

deliver improvements. Complaints about police responsiveness were often based on the fact that the police did not volunteer information to the community or individuals. Quick and easy access to drug treatment was very important;

- even in some of the most difficult London boroughs, there were signs of improving confidence in policing now the police were more visible and available;
- the White Paper when published should be centred on individual citizens:
- Magistrates were often in fact quite representative of the local community and should therefore retain their places on police authorities;

Dose and long-term contact with the community was good The police as well as the community as otherwise the lice were rarely thanked for doing a good job;

co-operation between the police and other parts of the crimination system was much better than before. Further inprograments were needed in the service provided by the Cours / In this context, it would be unfortunate to remove Magistrates from police authorities.

In response, THE HOME SECRETARY confirmed he would circulate the draft White Paper to DA Committee for its consideration. Further discussion was needed of the relationship between the police and local authorities. He would also discuss the position of Magistrates with colleagues, although in his view it was more important to have Magistrates involved in Local Criminal Justice Boards than police authorities where they might displace local authority representatives. He strongly agreed that the focus of the White Paper should be the citizen.

shipectives of the Home Secretary solutions of the Home Secretary should now be circulated to DA for the Community should now be circulated to DA for the Community was now necessary to strip the message of the proposals devices was now necessary to strip the message of the proposals devices was now necessary to strip the message of the proposals devices was now necessary to strip the message of the proposals devices was now necessary to strip the message of the proposals devices was now necessary to strip the message of the proposals devices was now necessary to strip the message of the proposals devices was now necessary to strip the message of the proposals devices was now necessary to strip the message of the proposals devices was now necessary to strip the message of the proposals devices was now necessary to strip the message of the proposals devices was now necessary to strip the message of the proposals devices was now necessary to strip the message of the proposals devices was now necessary to strip the message of the proposals devices was now necessary to strip the message of the proposals devices was now necessary to strip the message of the proposals devices was now necessary to strip the message of the proposals devices was now necessary to strip the necessary to strip the proposals devices and the proposal devices are not all the proposal devices and the proposal devices are not all the proposal devices and the proposal devices are not all the proposal devices and the proposal devices are not all the proposal devices and the proposal devices are not all the proposal devices are not al

resources were employed and deployed and to create a visible presence and engagement with communities. The proposals should be considered and presented in this fashion, rather than risk them as being seen as technocratic police reform.

The Cabinet -

3. Took note.

Public Healt

THE SECRETARY OF STATE FOR HEALTH said he had held be bateral discussions with colleagues on his draft public health White Paper. This was being considered by MISC 27, which was the relevant cabinet Committee, and would then be circulated to all members of the Cabinet, who would have a fortnight to consider it.

FOREIGN AFFAIRS

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Previous reference:

CC(04)28.3

3. (THE FOREIGN AND COMMONWEALTH SECRETARY said that the Orice Nations' (UN) effort in supporting the preparation of Iraq's electrony production of the property of the Secretary General, Kofi Annan, visited London next week. The charance of the UN to send staff to Iraq was a result of the attack on their the adjunctors in Baghdad in August 2003. There were also difficulties over write from the research would be responsible for the protection of the UN such although the reality was that the burden would fall to the Multingtonia Forces led by the United States of America and the UK. For they, the real work on the ground was being done by the Iraqis themselved through the Independent Electoral Commission for Iraq, with the computer of an excellent UN official, Carlos Valenzuela. The preparations were on track for elections to go ahead in January 2005.

CRIME - A BETTER POLICE SERVICE **BUILDING COMMUNITIES, BEATING** FOR THE 21ST CENTURY

David Blunkett

Presentation to the Cabinet 14 October 2004

POLICING IN THIS COUNTRY IS IN FAR BETTER SHAPE THAN IN 1997

- ✓ Crime down 30%
- ✓ 13,000 more police, 4,000 CSOs and 21% more funding
- ✓ Performance culture embedded
- ✓ Real collaboration in the CJS and better partnerships in local areas
- Specific drives on street crime, prolific offenders, ASB.

BUT WE NEED TO GO FURTHER...

- · Crime still above EU average and top local concern
- · Confidence in police, though still high, is declining
- · More demanding consumer culture and rising public expectations of customer
- Current accountability arrangements do not facilitate implementation of neighbourhood policing

OFFICE STRATEGY - CONFIDENTIAL: POLICY

Reducing overall crime and disorder

Police tackling crime and disorder effectively at every level:
 alongside you at the neighbourhood level; for you at the district level, and protecting you at the force and national level

Delivering a step change

change improvement in customer service

An expansion of effective neighbourhood policing

· Focus on what reform means for the citizen:

- Guaranteed standards of customer service whenever anyone has contact with the police
 - a culture of customer responsiveness and self-improvement embedded in the police service
- a willingess to embrace the principles of public sector reform which we are applying to every other key sector

· Community-focused policing for the 21st century:

- citizen-focused, visible and accessible;
 - intelligence-led;
- with local people having a real say on local priorities

criminals, maintaining public order and responding to emergencies - providing the basis for social The police lead the fight against crime and disorder reducing crime, detecting and catching

Driving better police performance

- Continued, unrelenting focus on reducing crime and increasing detections
 - A leaner, more incisive inspectorate
 Using science and technology better
- Consultation of finished finished
- Consultation on modernising powers of arrest just
- White Paper proposes minimum powers for CSOs
- Freeing up frontline officers through fixed penalty notices, street bail and reducing bureaucracy

powers to tackle crime and disorder Establishing Serious Organised Crime Agency
 LIMIC conding longer 2005 on etrictings and

border crime, serious organised crime and

Links to cross-

HMIC reporting January 2005 on structures and cross-force crime

BUT THE POLICE, OTHER PUBLIC SERVICES AND COMMUNITIES MUST ALL SUPPORT EACH OTHER TO MEET THE CHALLENGE OF CRIME

- · Local authorities exercising their responsibility for community safety
- Early years education, schools and social services doing more to prevent young people turning to crime
 - · The CJS working together to catch, convict and rehabilitate offenders
- The probation services supported by employment and health services to resettle offenders and address drug misuse

DELIVERING A STEP CHANGE IMPROVEMENT IN CUSTOMER SERVICE

A new customer service culture owned by the police

National minimum standards of service

- · More ways of accessing police services and staff
 - The "Copper's Contract" by 2006
- A step change in call handling and a Single Non-Emergency Number
 - · Victims updated regularly about progress
- Information on local policing for every household

Enabled to trigger local action (by police and partners)

 Local contracts between police and neighbourhood groups reflecting local needs

Empowered citizens

· Citizens better supported by neighbourhood groups

Greater responsiveness to the public

- Promoted through workforce and leadership reform, training and closer partnership working
 - Performance increasingly measured by customer satisfaction
 Improved and rationalised services driven through the National Policing Improvement Agency

AN EXPANSION OF EFFECTIVE NEIGHBOURHOOD POLICING

New resources will be matched by a new relationship with the public:

Neighbourhood Policing Fund

Visible and accessible police presence in every community

Communities and police working together to beat crime and anti-social behaviour

- To support roll-out of neighbourhood policing
 £50m of new money will deliver 2,000 CSOs this year. 25,000 CSOs and wardens by 2008
- Bids to include a commitment to maintaining record police numbers
 a target for CSOs and details of efficiencies to increase frontline policing.
- Every community will have dedicated neighbourhood teams responsible for their local area by 2008
- A rigorous, intelligence-led and problem-solving approach applied at the neighbourhood level
 - Officers freed up for the frontline through more flexible working and better deployment of police staff, training and powers
- •Two way exchange of information between police and the public to tackle crime (National Intelligence Model)
- Move towards a funding regime which enables communities to support specific policing services, building on co-funding and through neighbourhood resources
- Involving communities in negotiating priorities for action with partners and local people

At the DISTRICT

A review of the 1998 Crime & Disorder Act to strengthen the visibility and

FORCE LEVEL: At the POLICE

At the NATIONAL

- · Consolidating, not detracting from, the central role of local authorities Further decentralisation and empowerment of BCU Commanders accountability of CDRPs and local agencies (by January 2005)
- Strengthened partnerships between agencies to tackle local problems Greater transparency of resource allocation to BCUs and CDRPs
- Councillor members must be community safety leads; independent members recruited through open competition; magistrates no longer members by right; · Police authorities strengthened to hold chiefs to account;
 - · Inspection of police authorities and intervention in failing ones, including suspending Chairs and appointing replacement as a last resort
- · Government setting national direction and strategic framework to ensure safety, security and better service in all communities
- · Providing powers and resources to tackle crime through greater local influence and a national efficiency strategy (Gershon)
- · Driving good performance and putting in place intensive support from the Police Standards Unit where performance requires if
- Intervening where nationwide coherence in policing practices is necessary
 - Less inspection and interference for the best performing forces

TEN COMMITMENTS TO THE CITIZEN

We believe that citizens should:

- 1. Be and feel safer in their homes and communities;
- 2. Have confidence that the police, local authorities and other agencies are working on their behalf; but also know the part they can play;
- 3. Receive a much better service when they contact the police;
- 4. Be clear about the level of service they can expect from their local police;
- 5. Be clear about the roles which the police and other partners play and how they can be held to account - but also have the opportunity to have a real say in how their local communities are policed;
- 6. Know who their local police officer, Community Support Officer and wardens are and receive regular information about local crime issues;
- 7. Be treated professionally, fairly, politely and with respect and integrity;
- 8. Be treated better and kept informed of progress as victims or witnesses;
- 9. Be satisfied that taxpayers' money is being spent properly;
- 10. Be confident that the Government is giving policing the resources, powers and equipment it needs - and that it is driving a reduction in bureaucracy

NEXT STEPS

We propose to publish the White Paper and leaflets on what it means for the citizen and the frontline on 9 November.

Following the White Paper:

- 1. 24 November publication of National Policing Plan
- December Serious Organised Crime and Policing Bill: SOCA, modernising police powers
- Early 2005 HMIC Report on police force structures and review of the Crime and Disorder Act 1998
- Late 2005 Fifth Session Police Reform Bill (establishing the new accountability framework, consequential changes arising from establishment of NPIA)
- Late 2005 results of Balance of Funding Review to inform police funding 4
- November 2006 implementation of national minimum standards of service 5
- 6. 2008 25,000 CSOs and wardens

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COPY NO

78

CABINET

CONCLUSIONS of a Meeting of the Cabinet held at 10 Downing Street on

> THURSDAY 21 OCTOBER 2004 at 9.30 am

> > PRESENT

The Rither Tony Blair MP Prime Minister

The Rt Hon John Prescott MP
Deputy Prime Minister and First Secretary of State

The Rt Hon Jack Straw MP Secretary of State for Foreign and Commonwealth Affairs

The Rt Hon Margaret Beckett MP Secretary of State for the Environment, Food and Rural Affairs

The Rt Hon Dr John Reid MP Secretary of State for Health

The Rt Hon Paul Murphy MP Secretary of State for Northern Ireland

The Rt Hon Patricia Hewitt MP
Secretary of State for Trade and Industry

The Rt Hon Gordon Brown MP Chancollor of the Exchequer

The Rt Hon David Blunkett MP Secretary of State for the Home Department

The Rt Hon Abstair Darling MP Secretary of State for Transport and Secretary of State for Scotland

The Rt Hon Alan Milburn MP Chancellor of the Duchy Chancester

The Rt Hon Geoff Hoon MP Secretary of State for Defence

The Rt Hon Hilary Armstrong MP Chief Whip (House of Commons)

CONFIDENTIAL The Rt Hon Charles Clarke MP The Rt Hon Paul Boateng MP sary of State for Education and Skills Chief Secretary to the Treasury Mon Peter Hain MP The Rt Hon Ian McCartney MP Leader of the House of Commons, Lord Privy Seal and Secretary of State for Wales Minister without Portfolio The Rt Hon Lord Falconer of Thoroton QC The Rt Hon Baroness Amos Leader of the House of Lords and Lord President of Secretary of State for Constitutional Affairs and Lord Chancellor the Council The Rt Hon Alan Johnson MP The Rt Hon Hilary Benn Secretary of State for International Development Secretary State of Work and Pensions ALSO PRESENT e Rt Hon The Lord Grocott Whip (House of Lords) urnbull CONTENT Subject Page PARLIAMENTARY BUSINESS Parliamentary Pay and Allowances CURRENT EVENTS FOREIGN AFFAIRS Iraq Iraq - Kidnap

PARLAMENTARY BUSINESS

Parliamentar Allowances

1. The Cabinet were informed of the business to be taken in the House of Commons in the week beginning Monday 25 October and of the provisional business for the week beginning Monday 1 November.

THE LEADER OF THE HOUSE OF COMMONS said that the report of the Senior Salaries Review Body on Parliamentary Pay and Allowances would be published later that day. The report recommended no increase in the pay of Ministers and Members of Parliament beyond the 2 percent Increase from 1 April 2004 already announced. However, the review body had recommended a large reduction in the car mileage allowance to the level of the mileage rates approved by the Inland Revenue. He Intended to propose that this recommendation be implemented but with additional provision for reimbursement of the cost of parking incurred in the performance of Parliamentary duties, following the decision of the British Airports Authority to remove the parking concession for Members of Parliament. It had also recommended that the Incidental Expenses Provision surplies be increased to a maximum of £27,500, with the amount payable by £7,500 for each full-time equivalent employer tunded from the staffing allowance and based on the Parliamentary Estate. Additionally, the review body had recommended changes in Members pensions and he was considering changes in the rules on early retirement and the introduction of pensions for unmarried partners.

The Cabinet -

Took note.

CURRENT EVENTS

FOREIGN AFFAIRS

Irac

Previous reference:

CC(04)29

2. The Cabinet were informed of the main issues affecting the conduct of the Government in the week beginning Monday 25 October.

3. THE PRIME MINISTER said that the possible redeployment of British troops in Iraq had been mis-reported in the media. The facts were as follows: the United States of America (USA) inflicts had put a request for assistance to the British military in Iraq had perfect operations were planned to regain control of Fallujah, the operations had been conducted to clean up Najaf, Samarra and Tall track USA combat troops would be concentrated for the Fallujah operatory which would leave a gap in the coverage of an area south of Baghdar armoured infantry unit was required for the task of securing its south of the same of the securing the securing the security route there; and the armoured infantry battlegroup of the Black washington.

was well-suited to this task. The British military had now recommended that they take on this task and, although he would have preferred to manage the announcement over a longer timeframe, it made sense for the Secretary of State for Defence to make an announcement this afternoon that about 650 troops would redeploy, with the Black Watch returning home before Christmas. This would be a normal six-month tour of operational duty.

Continuing, THE PRIME MINISTER said that it was necessary to conduct a clearance operation in Fallujah in the coming weeks. This was being discussed between the Iraqis, the Americans and ourselves; the Hming was yet to be decided. The operation was necessary to enable elections to proceed, which were the single most important event for Iraq's future It was to be noted that at no stage had the USA President or Secretary of State raised the matter of British troop redeployment with him or the Foreign and Commonwealth Secretary, and it was clear that such a move would make no difference to the USA election campaign.

THE SECRETARY OF STATE FOR DEFENCE said that of the approximately 130,000 USA troops in Iraq, fewer than half were combat forces and of those cory a small proportion were armoured units. The USA were stretched to a scribble the forces necessary for the Fallujah operation. As regards the armour which the Black Watch would deploy, none of the speculation in the media had been correct. The area was important strategically but had not been the scene of heavy insurgent attacks on coalition forces.

In discussion the following points were made:

- although it was right for military commanders to take dayto-day operational decisions, a recommendation to redeploy troops needed political endorsement - whatever the military advice, political responsibility belonged to the Government:
- it was not appropriate for the House of Appropriate to vote on decisions of this sort. The Government and gained little credit for allowing a vote on the issue of principle at the outset, which was an entirely different matter from the tactical issue now being considered;

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- c. decisions about Fallujah would be taken by the Iraqi Government, with the involvement of the British and the Americans. Prime Minster Allawi of Iraq was clear that Iraqi forces should be a strong component of any operation against Fallujah and that the internal politics had to be got right. The voice of Prime Minister Allawi and his ministers needed to be heard more in public once a decision had been taken on Fallujah;
- d. it was the case that the USA military already provided support to the British in its area, so a reciprocity existed. The suggestion that putting British forces under USA command was an anomaly should be vigorously rebutted;
 - there was an erroneous belief in some parts of the media
 that an attack on Fallujah or the redeployment of British
 topps would support President Bush's election campaign.
 Mar said, allegations that the attack on Fallujah was
 linken to the USA election date would not disappear until
 after that date had passed;
- f. the redept ment of troops to the South of Baghdad did not represent a change in our overall posture in Iraq, although the propagation of the Black Watch's tour in Iraq would result in temporary increase in the size of our force (the unit would not be withdrawn before the Scots Guards arrived to or place them as the British reserve unit) and we should be frait about that. If we were serious about seeing the job in that through to successful elections, the military recommendation had to be accepted;
- g. the public presentation of the need by an operation against Fallujah (in which people would be tand), so that elections could be held, would need carried handling. Key issues to be clarified in the Government to mmunications were:
 - whether it was a military or political decision
 - the status of the USA control over British for
 - our strategic objectives in Iraq;

- why British troops were needed when the USA forces totalled 130,000; and
- who would decide on military action against Falluiah.

Summing up, THE PRIME MINISTER said that we had a clear strategic objective, namely the creation of a democratic Iraq. The Iraqi Government was seeking to improve security in the country and that meant Iraqi forces with enhanced capauntues taking the process owns and areas which provided bases for insurgent activity. The process the encessful recovery of Najaf from the control of the Mahdi army. The lesson from Afghanistan was that once elections were seen to be coming, the power of the warlords had started to wane. On the decision to redeploy troops, the media had put it about that politicians were ordering this deployment. This was false. The military advice was to respond positively to the USA request, which fitted with our support on the overriding Iraqi and coalition objective to hold free elections. On the overriding Iraqi and coalition objective to hold free elections. The Black Watch would undertake a which they were well-suited. The danger to which they would be several was not qualitatively different from that which they had experienced date in their current tour. The media suggestion that an extra 1300 toops were to be sent for the elections should be countered. On Fallund Scultimate decision was for Prime Minister Allawi, although we would be intimately involved in the run-up to that decision. The fact that we note contributing forces in support of the Fallujah operation would assure out place at the planning table. Prime Minister Allawi would need to set out his arguments, at the right moment, for taking action.

The Defence Secretary would make an announcement in the defence debate this afternoon in the House of commons and a press conference would be held by the Chief of the Defence Staff. We should be confident in the case we made in support of this decision

The Cabinet -

Took note.

Iraq: Kidnap

THE FOREIGN AND COMMONWEALTH SECRETARY Mrs. Margaret Hassan had been kidnapped in Baghdad two She was married to an Iraqi, had lived there for thirty years, Care International, and held dual British-Iraqi nationality. He had No.

her two sisters and a nephew yesterday, who were in any case angry about the military action against Iraq. We were doing a great deal here and in Baghdad, although no contact had been made by the kidnappers. Our policy was to work for her release, but to play down the visible British involvement. Contact was being made with media editors to promote this approach. Colleagues should stick to the line that it was a desperate situation in which we were doing all could, and say no more. As to the question of whether the Italians had paid a ransom for the return of their two aid workers, the formal response was that they had not. But we knew that the capability of the Italian hospital in Baghdad had been boosted and considered that humanitarian help of that sort could be contemplated in similar circumstances.

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COPY NO 7

CABINET

CONCLUSIONS of a Meeting of the Cabinet held at 10 Downing Street on

THURSDAY 28 OCTOBER 2004 at 9.30 am

PRESENT

The Richard Tony Blair MP

The Rt Hon John Prescott MP
Deputy Prime Minister and First Secretary of State

The Rt Hon Jack Straw MP
Secretary of State for Foreign and Commonwealth
Affairs

The Rt Hon Margaret Beckett MP Secretary of State for the Environment, Food and Rural Affairs

The Rt Hon Dr John Reid MP Secretary of State for Health

The Rt Hon Paul Murphy MP Secretary of State for Northern Ireland

The Rt Hon Patricia Hewitt MP Secretary of State for Trade and Industry The Rt Hon Gordon Brown MP

The Rt Ron David Blunkett MP Secretary of State for the Home Department

The Rt Hon Afistair Darling MP Secretary of State for Transport and Secretary of State for Scotland

The Rt Hon Alan Milburn MP Chancellor of the Duchy of Lancaster

The Rt Hon Geoff Hoon MP/ Secretary of State for Defence

The Rt Hon Hilary Armstrong MP Chief Whip (House of Commons)

CONFIDENTIAL

The Rt Hon Charles Clarke MP

The Rt Hon Paul Boateng MP Chief Secretary to the Treasury

The WHon Peter Hain MP Leader of the House of Commons, Lord Privy Seal and Secretary of State for Wales The Rt Hon Ian McCartney MP Minister without Portfolio

The Rt Hor Pareness Amos Leader of the House of Lords and Lord President of the Council

The Rt Hon Lord Falconer of Thoroton QC Secretary of State for Constitutional Affairs and Lord Chancellor

The Rt Hon Hilary Benn MP Secretary of State for International Development The Rt Hon Alan Johnson MP Secretary State of Work and Pensions

ALSO PRESENT

The Rt Hon The Lord Grocott Chief Whip (House of Lords)

SECRETARIAT

Sir Andrew Puribull
Mr K Darroth
Sir Nigel Sheinwald
Mr P Britton
Mr G Fergusson
Mr R Fellgett

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Item

PARLIAMENTARY BUSINESS

Gambling Bill

Hunting Bill Legislative Programme

CURRENT EVENTS

English Regional Assemblies
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CONFIDENTIAL



The European Commission and the European Parliament

EIGN AFFAIRS

rag: Kidnap palestinian Authority: Arafat 6

7

MENTARY

The Cabinet were informed of the business to be taken in the House of Commons in the week beginning Monday 1 November and of the provisional business for the week beginning Monday 8 November.

THE PRIME MINISTER said that in view of the recent press criticism of the Gambling Bill and speculation about divisions between Ministers it was very important for the Government to get across publicly the facts about the Bill. Its key aims were to give greater protection to children while giving adults reasonable freedom to gamble if they wished. In these respects its aims were very similar to those of the new alcohol licensing regime and there were also similarities with aspects of the proposed White Paper on Public Health.

The following points were made in discussion:

- contrary to press reports, there was no division between Ministers on the objectives of the Bill. The suggestion that the Bill would lead to a rash of massive casinos across The country was wrong;
- b. the Department for Culture, Media and Sport had mistakenly given the gambling industry the impression that the Bilkwould be revenue-neutral: since the industry could be expected to grow substantially as a result of the Bill, the implication was that rates of gambling tax would be halved. This error had been compounded by the statement that this change could be announced as early as the pre-Budget report. There was indeed an issue about the tax rate for different forms of gambling which ought to be examined but the charges envisaged in the Gambling Bill would not begin to have an effect before 2007 and there was therefore no urgency and certainly no need to deal with this issue in the pre-Budget report;
- it should be recognised that the major gambling companies in the United States of America wanted to increase their presence in the United Kingdom (UK) but were lobbying hard for a reduction in the rate of gambling tax. One should not take at face value their suggestion that the present tax rate would deter this investment;
- there was some concern about the Bill's provisions which d.

would remove gaming machines from premises such as garages.

Summing up the discussion, THE PRIME MINISTER said that the Government needed to make it clear that the Gambling Bill was intended to modernise the gambling industry, including providing greater protection for children. The development of large casinos would be subject to normal planning law and decision by local authorities. The tax treatment of gambling was a matter for the Treasury and should be handled in the normal way. It was not the purpose of the Bill to increase payenue from gambling tax though the yield could be expected to grow as the industry did. The Government should give no commitments about reviewing the tax on gambling.

The Cabinet -Feak note.

Previous Reference:

Legislative Programme

THE SECRETARY OF STATE FOR THE ENVIRONMENT, FOOD AND RURAL AFFAIRS said that the pro-hunting lobby had established a website listing Ministerial public engagements which might be disrupted. THE CHIER WHIP, HOUSE OF COMMONS said the Whips' Office would warp any colleague whose engagements were posted on this site.

THE LEADER OF THE HOUSE OF COMMONS AND SECRETARY OF STATE FOR WALES introduced his paper (C(04)8). He said preparations for the Queen's Speech and legislative programme for the Fourth Session had gone well and the Government was in a stronger position as a result. The proposed list of Bills had been agreed by the Legislative Programme Committee. The proposal was for the same number of Bills as in the current Session, and thus incorporated no signal about the timing of the General Election. He also proposed to publish a full list of planned Bills on the same day as the Queen's Speech, which as always would not mention every one of them. The text of the Queen's Speech reflected key Government policy themes as set out by the Prime Minister. The main theme of the Session would be security, together with opportunity and reform.

Some Bills had been withdrawn from the list provisionally agreed by Cabinet the previous January, leaving space for example for a drugs Bill and a draft Bill on counter-terrorism. Space was available for sorthern

Ireland measures, if needed. The paper noted that a final decision was needed on whether to include a Judicial Pensions Bill. Such a Bill had been of concern to the Business Managers but a strategy had been agreed for handling it, based on introducing it in the Lords later in the Session if necessary.

He also sought Cabinet endorsement of the proposed prioritisation of Bills, as there would be no more than half a dozen opportunities for Second Readings in the Lords and Commons before Christmas and not all Bills could be expected to achieve Royal Assent in the event of a short Session.

Concluding, THE LEADER OF THE COMMONS AND SECRETARY OF STATE FOR WALES said he was grateful for colleagues' bids for legislation in the following Session. Additional Bills were likely to be needed flowing from departmental 5-year strategies. It would be important to have key measures ready at the start of the next Session. whenever that might be, and he would be meeting with colleagues bilaterally to discuss preparations.

The following points were made in discussion:

- some of the proposed measures such as corporate manslaughter required policy agreement in Domestic Affairs Committee;
- f. a Judicial Pensions Bill would be difficult to handle in the House of Commons in any pre-election period. It would also be important to ensure it did not offer encouragement to other groups looking for ways round the recently introduced cap on tax advantaged pension saving. However, judicial pensions were unusual in being set out in statute and the measure would give judges the same opportunity as others to adapt their pension arrangements. The handling strategy envisaged would mean the measure would not reach the Commons for substantive debate in advance of any early election;
- the Queen's Speech should include as usual a reference to g. Northern Ireland:
- there was a good chance of securing all-party support for

the Bill to merge the Inland Revenue and Customs & Excise, which was needed quickly to achieve administrative savings;

if there were an early (spring) election Parliament would have only about fourteen sitting weeks. In a normal Session few, if any, Bills would achieve Royal Assent in this time and some would barely have started their Parliamentary progress. Departmental Ministers therefore needed to plan for the eventuality that Bills that were not universally supported in Parliament might well reach the Statute Book only if they were pared down to their essential core. However, it was not possible to plan publicly for this eventuality as that would pre-judge the election date.

Summing in THE PRIME MINISTER said the Cabinet endorsed the proposal (put) forward by the Leader of the House of Commons and Secretary of State for Wales. The Judicial Pensions Bill would need careful handling.

The Cabinet

2. Took note.

CURRENT EVENTS

English Regional Assemblies

Previous Reference: CC(04)29.2

2. The Cabinet were informed of the main issues affecting the conduct of the Government in the work beginning Monday 1 November.

THE DEPUTY PRIME MINISTER and that in the postal ballot on a referendum for a Regional Assembly in the North East 26 percent of ballot papers had already been returned and the number was increasing by about 3 percent per day. If this rate continued the rumout would be around 50 percent – better than the referendum of a London Mayor and Assembly. This seemed to underline the benefit of postal ballots. The turnout had so far been higher in the Northern part of the region than in the South. It was hard to say which way the vote would be though if the vote was in favour, it was more likely to be by a narrow primary in as in the referendum on a Welsh Assembly than by the larger margin soon in the referendum on a Scottish Parliament.

Continuing, THE DEPUTY PRIME MINISTER said that awareness of the campaign amongst local people had risen sharply and the local press was in favour of the Assembly. The trade unions also supported it. Younger people seemed to be more supportive than older ones. The Opposition campaign had alleged that an Assembly would result in more local politicians and higher costs of local administration. In fact, neither was true because with the reorganisation of local government there would be 500 fewer local councillors and an overall saving in the costs of local democracy of £12 million per year.

Summing up a brief discussion, THE PRIME MINISTER said that the seemed to be growing warmer. The difference in attitude between younger and older voters was striking.

> Cabinet -Took note.

Relations with Muslim

THE DEPUTATIONE MINISTER said the Domestic Affairs (DA) Committee had held avery good second reading debate on relations with British Muslim communities. It was clear more could be done; for example, he had been struck by the opportunity to speak more to community groups and see it more people from minority ethnic and faith groups should be proposed for honours. DA would meet again in November to consider a short form action plan, effective outreach and communications strategies and longer term action. The Foreign Secretary, Chancellor of the Duchy of Lancaster and Minister without Portfolio were involved in this work?

Previous Reference.

The FOREIGN AND COMMONWEALTH SECRETARY reported on a successful meeting with the Spanish Foreign Minister, Mr Moratinos. The new Spanish government was taking a much more constructive approach to Gibraltar. The Spanish objective of reclaiming Gibraltar remained. But the new government recognised that the first objective had to be a more positive and friendly relationship with Gibraltar. So they had embarked on a new policy, which included promising to lift the ban on cruise liners visiting Gibraltar and undertakings to work with Gibraltar on developing the airport, as well as cooperation in other areas. In return, the UK had agreed to set up a technical working party with Spain on the pension's issue - but no promises had been made on eventual payments. All elements of this agreement had been cleared in detail with the Chief

Minister of Gibraltar, Caruana.

The Cabinet -

2 Took note

The Europe Commission a European Parliamen

The FOREIGN AND COMMONWEALTH SECRETARY said that the President-elect of the European Commission, José Manuel Barroso, had been forced to withdraw his entire nomination for the new Commission, to avoid the certainty of a negative vote from the European Parliament (EP). This had created an untidy and problematic situation. The proximate cause of the row had been some unwise public comments by the Italian Commissioner-designate, Buttiglione. But these alone did not explain what had happened. The underlying cause was rivalry between the European Socialist Party and the European Peoples' Party in the EP, together with a determination in the Parliament as a whole to use its power to approve the whole Commission to force through some changes. These developments were particularly unwelcome, given the good start Barroso had mode. The issue would overshadow tomorrow's signing of the Constitutional Treaty. And there was a risk that more Commissioners would be targeted by the Parliament.

The following points were made in discussion:

- a. It would be particularly bad if the Danish Commissionerdesignate for agriculture were targeted by the Parliament and forced to move portfolios. She was a high-quality, pro-reform, candidate, who had crossed some members of the Parliament only because she had reaffirmed her commitment to reform.
- b. One of the good points about Barroso was his commitment to the economic reform agenda. The European Socialist Party, including its British members, would not be helpful on this objective.
- c. The EP had always wanted to use its powers on approval of the Commission. Buttiglione had provided an opportunity. If he were to withdraw, this might be enough in itself is satisfy a majority.
- d. In presentational terms, this would look like a shift in power and authority towards the Parliament and away from the Council

would not be helpful.

The PRIME MINISTER said that the position was indeed confused and uncertain. He had been in frequent contact with Barroso. It was questionable whether Buttiglione's resignation would in itself be enough. The European Peoples' Party would demand in these circumstances that a Commissioner from the Left resigned as well. He was confident that the British Labour Members of the European Parliament would not demand more than one or two changes. Barroso needed space and time to do the deal with the EP. The UK position had to be to give maximum support to Barroso, to accept that one or possibly two Commissioners would have to resign or be reshuffled, but to stop this becoming a broader unravelling of the new Commission.

The Cabinet ook note

FOREIGN AFFAIRS Iraq: Kidnap

Previous reference:

Palestinian Authority:

THE FOREIGN AND COMMONWEALTH SECRETARY said that the family of Mrs Margaret Hassan, who was taken hostage over a week ago, were not seeking publicity for themselves. They were emphasising Margaret Hassan's Iraqi connections as a dual national. The British media were complying with his request to play the issue down, and colleagues should do likewise.

THE FOREIGN AND COMMONWEALTH SECRETARY said that President Yasser Arafat of the Palestinian Authority was very seriously, and probably terminally, ill. His demise was likely to change the political landscape in the region, but it would not be right to say so at this stage. Any British comments in the event of Arafat's death would be confined to: extending condolences; acknowledging that he had been a dominant figure in the Middle East over many years and had aroused passionate affection and hostility in equal measure; and stating that the Government remained committed to the creation of a separate Palestinian state and to a secure Israel.

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CARINET

CONCLUSIONS of a Meeting of the Cabinet held at 10 Downing Street on

THURSDAY 04 NOVEMBER 2004 at 9.30 am

PRESENT

The Retion Tony Blair MP
Prime Minister

The Rt Hon Gordon Brown MP Chancellor of the Exchequer

The Rt Hon Margaret Beckett MP Secretary of State for the Environment, Food and Rural Affaire

The Rt Hon Dr John Reid MP Secretary of State for Health

The Rt Hon Paul Murphy MP Secretary of State for Northern Ireland

The Rt Hon Patricia Hewitt MP Secretary of State for Trade and Industry

The Rt Hon Hilary Armstrong MP Chief Whip (House of Commons)

The Rt Hon Paul Boateng MP Chief Secretary to the Treasury The Rt Hon David Blunkett MP Secretary of State for the Home Department

The Et Hon Alistair Darling MP Secretary of State for Transport and Secretary of

The Rt Hon Man Milburn MP Chancellor of the Duchy of Lancaster

The Rt Hon Geoff Hoor MP Secretary of State for Defence

State for 8cotland

The Rt Hon Tessa Jowell Media and Sport

The Rt Hon Charles Clarke MP
Secretary of State for Education and Skyls

The Rt Hon Peter Hain MP Leader of the House of Commons, Lord Prior and Secretary of State for Wales

CONFIDENTIAL

The Rt Hon Ian McCartney MP

CONFIDENTIAL

The Rt Hon Baroness Amos

Leader of the House of Lords and Lord President of the Council

The CHON Lord Falconer of Thoroton QC Secretary of State for Constitutional Affairs and Lord Change Hon The Rt Hon Hilary Benn MP Secretary of State for International Development

ALSO PRESENT

The Rt Hon The Lord Grocott Chief Whip (House of Lords)

Attorney General
The Rt Hon Lord Goldsmith QC

SECRETARIAT

Sir Andrew Turnbull
Mr K Darroch
Sir Nigel Sheinwald
At P Britton
Mr Fergusson
Mr F Fellgett

CONTEX

Subject

PARLIAMENTARY BUSINESS

CURRENT EVENTS

Conduct of the Government English Regional Assemblies Department of Trade and Industry Efficiency Review

FOREIGN AFFAIRS

United States of America: Elections

Page

1

6

9

CONFIDENTIAL

The Cabinet were informed of the business to be taken in the House of Commons in the week beginning Monday 8 November. The following week the Commons were likely to need to consider Lords amendments to a number of Bills including the Hunting Bill. The House might need to sit late.

THE HOME SECRETARY thanked the Lords Business Managers for their help in securing agreement to the Domestic Violence, Crime and Victims Bill.

CURRENT EVE

The Cabinet were informed of the main issues affecting the conduct of the Government in the week beginning Monday 8 November.

Conduct of the Government

THE PRIME MINISTER said it would be important to rebut better and more quickly statements made about Government policy by the Opposition parties, especially over weekends, involving special advisors. THE CHANCELLOR OF THE DUCHY OF LANCASTER added that the aim should be to have agreed material ready on all areas of policy and

Previous Reference:

to be able to respond within 30 minutes. The following points were made in discussion:

Ministers heeded to check and approve material before it was released to ensure it was accurate and appropriate;

delivering unely responses was not easy. It required proactive media monitoring, lead policy officials and Special Advisers to be contactable at any time, and Ministers to be available to sign off the response. Secretaries of State needed to ensure such arrangements were in place in all departments.

Summing up, THE PRIME MINISTER said the aim should be to ensure that an appropriate response was issued in no more than half an hour. Ministers in charge of departments should ensure effective arrangements were in place.

English Regional Assemblies

Previous Reference:

THE CHANCELLOR OF THE DUCHY OF LANCASTER said that the turnout in the postal ballot on a referendum for a Regional Assembly in the North East had reached 41.6 percent as of that morning Phis was a considerable achievement. The result was still unclear and was likely to be declared around or after midnight that day.

partment of Trade and

THE SECRETARY OF STATE FOR TRADE AND INDUSTRY gave a presentation (attached) on the Department of Trade and Industry (DTI) 5year programme entitled "Creating wealth from knowledge". She planned to launch the programme two weeks later and thanked colleagues for their and their departments' contributions to it. It built on earlier work, including the Innovation Review and the ten year framework for science.

Since 1974 - when the predecessors of the DTI concentrated on nationalised industries, supporting lame ducks and price controls - the department had changed and she envisaged that by 2008 it would spend more on science than on industrial support and be a department for "technology and innovation". The world was changing. Economic progress depended on having a new knowledge economy that could compete in the global economy. For example, it was estimated to cost £1 billion to develop a new drug in the United States of America (USA) but only £100 and hop to do so in India. New economies were emerging with. for example, high growth rates in China and India. People in the United Kingdom (UK) were nervous about this development despite the strengths of the UK economy. It was important to be confident in the Government's anti-protectionist policy stance. Another job in China did not mean one less in the VIX on the contrary it meant access to cheaper goods for UK consumers and to more customers for UK exporters, as well as alleviating poverty in China.

The reality was that the UK could not compete on cost alone. Indeed, few economies could. For example, even Shanghai was now moving up the value-added chain as labour costs per hour were higher than in the western provinces of China. The UK was, however, well placed to succeed. Her 5-year programme, which involved no spending commitments beyond 2008, aimed to reinforce the UK's strengths while tackling its weaknesses.

A key strength was in science, with for example the UK generating around 10 percent of the world's leading scientific papers despite having 1 percent of the world's population. Eight of the world's 20 leading universities were in the UK. The UK also scored highly as a business friendly environment and was doing well in new economic sectors such as financial and business services, education and creative in

The programme required action at regional, national, European and global level. The UK should benchmark itself not just against the Global Seven (G7) but against other smaller countries which were in many respects ahead of the UK such as Finland, and against major growth economies such as China and India.

On top of progress already made in capitalising on UK science, she proposed Newton prizes to tackle major public policy challenges: leveraging Government research and development and the £125 billion procurement budget more effectively; and, most immediately, tackling the threat of animal rights terrorism. In creating an enterprise culture the OK was already ahead of most of the European Union (EU) but remained behind the USA. She proposed to embed business links in the regions, reduce the regulatory burden on business both in the UK and in the rest of the EU and boost entrepreneurship among women. Her department and the Department for Education and Skills (DfES) had been working together well but there was a lot more to do to support a more highly skilled workforce, as there was in looking for example at the highly skilled migration programme. By the year 2010 only a third of the workforce was takely to be white men under the age of 40 so an equal opportunity labour market was essential. In promoting strong regions, a dynamic European and an open world economy there was an opportunity to work with the USA administration to accelerate the drive for trade justice. In Europe, the recent report by Wim Kok showed there was much still to do, for example in creating a single market in services, but the new European Commission was expected to be helpful.

In conclusion, THE SECRETARY OF STATE FOR TRADE AND INDUSTRY said her department that changed but there was much more still to do. Staff would be reduced by about 25 percent by the following April. The department needed appropriate skills and to focus on its core responsibilities. It aimed to be the strong voice for all business in Whitehall, to drive innovation in the public and private sectors and to lead economic reform in Europe. Her vision was for the department to be a world-class economic department.

The following points were made in discussion:

this was an excellent presentation which showed good collaborative work across departments, including with the DfES. There was a major opportunity further to develop exports of education services;

- d. it would be helpful to be clearer what the economic future was for each region of the country. However, experience showed the economic future was hard to predict and the role for Government was to create the right climate and the infrastructure in which economic progress could be made;
- e. the Kok Report showed that there was insufficient progress in the EU in achieving the Lisbon agenda. It was clear what needed to be done, but less clear what action was needed to make sure things happened. However, even the Kok Report did not appear to recognise the scale of the challenge facing Europe. The EU growth rate in recent years had been only half that of the USA's. There had to be faster improvements in European productivity and action beyond that envisaged by Kok;
- f. Wyas important to recognise the contribution to economic crowth and jobs being made by newer industries such as envisormental services and innovation by the financial sector. These sectors did not feel part of conventional channels of communication with Government;
- g. the relationship between industrial sectors and Government had been developing and needed to develop further to provide by example, transparency and certainty about regulation in the public interest;
- while Government poner had focused clearly on the gap between the average pay of men and women it needed equally to focus on pay gaps for ethnic minorities;
- while the UK was good at attracting first generation investment it needed to be better at retaining these firms as they expanded;
- j. good collaboration by the DTI, DfEs and Department for Work and Pensions had supported a learning som facility in an industrial setting which helped people throughout the local area develop their skills. These innovations should be supported;

- it was indeed essential to tackle animal rights activists and collaborative work by the DTI and Home Office was underway;
- the development and use of biometrics, not just for Identity cards, provided an opportunity for UK industry;
- m. the scheme which had been introduced the previous May to allow migration from the EU accession states had already led to an estimated £120 million contribution to gross domestic product and some £20 million to the Exchequer in the form of tax and National Insurance payments. It was important for the public to understand the contribution made by migrants;

the scale of the changes underway in the global economy, and their impact on the UK, should not be underestimated. For example, already 25 percent of world manufacturing took place in developing countries and within a few years this would rise to 50 percent with the transfer of 5 million jobs.

- o. the ten year framework for science was just a start. The public had to be persuaded to have a positive image of science to support economic growth;
- action was essential to tackle skills, as for example the unemployment rate among the unskilled was around 50 percent;
- q. it would be helpful to consider what more could be done to support renewable energy.

Responding briefly, THE SECRETARY OF CLAYE FOR TRADE AND INDUSTRY said more did need to be done on reweable technologies. It was very important to consider how to sustain a relationship with new economic sectors and to tackle pockets of unemploying.

Summing up, THE PRIME MINISTER said there was a major job of education to be done in getting across the facts about the the commy. The new social model implied reliance on, for example, knowledge and

skills and a new role for Government. The aim was sustainable development.

MR JOHN OUGHTON, Chief Executive of the Office of Government Commerce, gave the Cabinet a presentation on progress with implementing the Efficiency and Relocation Reviews (slides attached). The aggregate target for efficiency savings by 2007/08 was £21.5 billion or £22.2 billion including an allowance for contingencies. Nearly 90 percent of these totals were attributable to seven departments. Savings on procurement were the biggest single element and were also likely to provide the most certain and earliest gains. Savings in productive time. particularly in the National Health Service and education, provided the next biggest element. Savings in corporate services and in transactional services made a comparatively small contribution. A significant part of the planned savings would need to be delivered by parties other than departments, for instance local government. It was a challenge for Government to stimulate the necessary degree of commitment from those bodies.

Some savings had aready been delivered and others were in the pipeline. Departmental plans generally contained convincing descriptions of what efficiencies needed to be delivered but were weaker on how this might be achieved and lacked milestones and trajectories. Departments' plans to deliver their relocation argets were incomplete and required urgent work. More work was also needed on how to measure savings - measuring savings in productivity posed a particular challenge. Few departments had yet come forward with specific proposals to improve procurement and this was a priority given the dependence on improvements in procurement to achieve early progress towards the efficiency target. Departments certainly needed more support from 'Change Agents' and action was in hand to recruit from outside Government.

Sustained Ministerial and top management commitment was needed to deliver this ambitious efficiency programme. Departments should aim to have produced whole-life project plans, with milestones and early delivery commitments by Christmas. Data was needed for the Pre-Budget Report. Engagement with local government recided to be accelerated. Secretaries of State should press their departments to step up their planning for relocation.

Speaking to his memorandum 'Handling the staffing consequences of the efficiency and relocation reviews', the CABINET SECRETARY said that although the savings from job loses represented only 10 percent of the

total savings expected from the Efficiency Review, these were of great concern to the Civil Service. The way Government handled this would reflect on its reputation as a modern and enlightened employer. There was much resentment in the Civil Service about some of the rhetoric that surrounded job loses, for instance suggestions that civil servants were mere bureaucrats performing back-office functions which were a drag on the system. It should be remembered that the Civil Service had its own front line, for instance running courts and prisons, helping people to find jobs, and collecting taxes. Also, once all the changes had been made, departments would still employ 450,000 civil servants who needed to be motivated to deliver the Government's policies. A sullen and resentful workforce would not improve public services.

Despite the forthcoming strike called by the Civil Service Unions, they were being reasonably co-operative at working level and were more realistic than their public posture might suggest. Government could not concede their demand of no compulsory redundancies but officials had put together an Efficiency and Relocation Support Programme setting out obligations on departments shedding staff to examine various alternatives, on departments who were recruiting or relocating to give preference to existing staff and on all departments to brief the centre and to provide help and advice to their staff. Unions had not formally agreed to this but nevertheless valued it and would play their part in helping to put it into effect. Finally, Jobcentre Plus, which had long been keen to increase the number of public sector vacancies referred to it, would be closely involved.

It was planned to publish the protocol the following week and it would be helpful if this programme could have the support of members of the Cabinet.

The following points were made in discussion:

there was a real imperative to make early and substantive r. progress on the Government's commitments on efficiency. Departments' efficiency plans lacked rigor and bite. They needed to be developed further with details of how each department would deliver its commitments clear milestones against which to measure progress and clear timescales in which the milestones and targets would be met. The areas on which departments needed to focus most urgently were workforce reductions, relocation and the savings which Non-Department Public Bodies

(NDPB) and local government were to achieve. Some NDPBs were not taking relocation seriously and needed to be challenged to come forward with plans for early action;

s. managing the 84,000 gross reduction in the number of Civil Service posts required close co-operation between departments and leadership from Ministers. The development of a central data-bank, as proposed in the Cabinet Secretary's memorandum was essential, as was help with retraining and relocation costs for those staff whose posts were to disappear. Given that the number of people employed in the public sector would continue to rise and that unemployment was still falling, it should be possible to manage the reduction in posts without disadvantaging most of the staff affected.

the forthcoming Civil Service strike was in part the result of frustration at the lack of adequate information about departments' intentions and of the help which would be two thele to the staff affected. This needed to be remedied urgently, A Ministerial forum was needed to oversee the implementation of this programme;

- u. the Efficiency Review would inevitably lead to job loses in some west which had previously benefited from relocation. Proof should therefore be given to these areas in implementing the Lyons Review otherwise the Government's regeneration objectives would be damaged;
- v. savings on procurement should not be achieved at the expense of suppliers which employed disabled people in protected workplaces, since that would run counter to the Government's aim to reduce the number of people claiming Incapacity Benefit;
- it would be a mistake for departments when relocating staff simply to consolidate within the existing office estate outside London. Priority should be given to areas needing regeneration;;
- x. Government's engagement with local government on the efficiency agenda needed to be co-ordinated the office of

the Deputy Prime Minister were leading on this:

- although non-departmental public bodies had a degree of freedom in implementing efficiency and relocation plans, they also had obligations and should be subject to the proposed protocol on the staffing consequences of the Efficiency Review;
- the Efficiency and Relocation Reviews would be implemented with greater urgency by departments if they could be sure that their programmes would benefit in part from the savings made. Against this, the Spending Review assumptions on efficiency savings had underpinned the planned growth in spending.

Summing up this part of the discussion, THE PRIME MINISTER said that revised efficiency delivery plans, covering the whole life of the programme, with details of how efficiencies would be achieved, milestones and trajectories, had to be produced before Christmas. The Cabinet had we comed the proposed Efficiency and Relocation Support Programme.

The Cabinet

Took note.

FOREIGN AFFAIRS United States of America: Elections

THE PRIME MINISTER said that the election results in the USA would provide certainty for the next tour years. The UK had an opportunity to take forward its agenda. In the short term, progress on the Middle East peace process would be particularly important. There was also an opportunity to relaunch the trans-Atlantic relationship. Early contacts with the French and Germans showed willingness to pursue this. The UK should make a virtue of its existing close relationship with the USA administration. Ministers should be projective in the coming days to show confidence in our relationship with the USA. Handled correctly, this was an important opportunity for us.

In discussion, the following points were made

a. though the importance of the Prime Minister's close personal relationship with the USA President was widely recog quality of the relationship between the wider UK and US

political establishments was not good;

- progress on the Middle East peace process was widely seen domestically as the main justification for our close relationship with the USA, but this had gone backwards, not forwards. Progress was needed quickly;
- we should also be seen to do everything possible to push the agenda on climate change. There was public expectation that our relationship with the USA should produce progress on this:
- d. much of the UK media argued that we did not want to be associated with the USA in dealing with terrorism, but if the association was necessary, the UK should get something from the USA in return. Ministers needed to be clear that we willingly supported the USA on terrorism; otherwise we risked appearing to ask Tho USA favours from a position of weakness;
- e. the took the American "religious right" could be exaggerated.

 Very many Americans, including some Democrats, saw the world differently since the attacks on 11 September 2001. European partners negociaty understand this;
- f. while working done ide the USA to combat the new sources of instability in the work we needed also to engage them in wider world issues, such as the alopment and Africa. The second term of any USA administration would bring surprises;

THE PRIME MINISTER, concluding said that there was a good chance of the Middle East peace process mixing forward in the next few months. A political meeting of the Cabinet should consider the lessons from the American electoral campaigns.



Creating Wealth From Knowledge The DTI 5 year plan

The DTI journey

1974

Nationalised industries, supported lame ducks, price controls

Today

£16bn + science £1bn

Investing in science, extending competition, flexible

labour markets

£2.6bn + science £2.6bn

2008

Dept. for 'Technology and Innovation'

£2.5bn + science £3.1bn

The World Is Changing

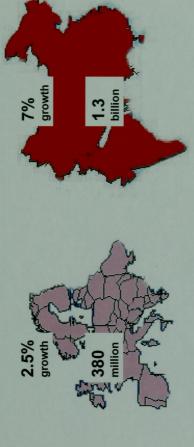
A new knowledge economy

- · wealth creation depends on knowledge, creativity, innovation
- services and manufacturing increasingly knowledge intensive

A new global economy

- services increasingly open to world trade
- re-distribution of production around the world
 - above all ...

... new economies are emerging ...



... creating new challenges and opportunities

The UK cannot compete on cost alone

 Innovation through science and technology with highly skilled people is the key to our future prosperity

The UK is well placed to succeed

- lowest unemployment for 29 years
- lowest inflation for 40 years
- sustained low interest rates
- longest ever record of growth
- the best economic performance in the G7

Now we must

... reinforce strengths ...

- Best economic record in G7
- World class science and some world-leading sectors
- Business—friendly environment
- Diverse culture, flexible labour market

and tackle weaknesses

- Regional disparities; weak EU performance
- Low R&D; weak innovation; antiscience culture
- Weak entrepreneurial culture; regulation worries
- Inadequate basic and technical skills

DTI's 5 year plan

- Capitalising on UK science
- Creating an enterprise culture
- Skilled people in modern workplaces
- Strong regions, a dynamic Europe, an open world
- A new DTI

Capitalising on UK science

What we've done

- introduced R&D tax credits
- agreed 10 year science and innovation framework
 - Launched the Technology Strategy

What we will do

- Newton prizes to tackle public policy challenges
- leverage £9bn government R&D and £125bn procurement
- stop animal rights terrorism

Creating an enterprise culture

What we've done

- helped over 600,000 entrepreneurs via Business Link
 - highest start-up rate since 1988
- 10 business support products replacing 100+ schemes

What we will do

- embed Business Link in regions
- reduce regulatory burden on business
- boost women's entrepreneurship

Skilled people in dynamic labour markets

What we've done

- the New Deal
- a demand-led Skills Strategy to link innovation to skills
 - established fair standards at work
- I million more parents working flexibly

What we will do

- build on Highly Skilled Migration Programme
- strong Sector Skills Councils; more Union Learning Reps.
- create an equal opportunity labour market

Strong regions, a dynamic Europe, an open world

What we have done

- number one in Europe for inward investment
- created strong Regional Development Agencies
- transformed competition and consumer regime

What we will do

- create Single Market in services
- more power and resources to the regions
- accelerate the drive for trade justice

A new DTI

What we've done

- focus on business, science & innovation, fair markets
 - complete overhaul of business support
- leaner, more strategic Department

What we will do

- be the strong voice for <u>all</u> business in Whitehall
- drive innovation in the private and public sectors
- lead economic reform in Europe

EFFICIENCY

Presentation to Cabinet John Oughton 4 November 2004

Background - savings by Department

(£22.2bn figure for 2007/08 is greater than the £21.5bn figure in the Spending Review and Sir Peter Gershon's report as it includes contingencies identified by Departments. The figure for public statements remains £21.5bh)

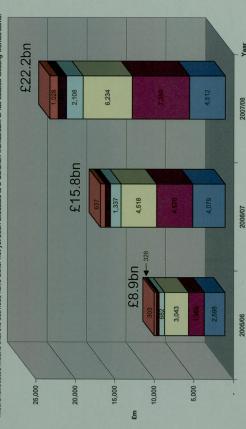
Planned Cumulative Efficiencies



■Small depts ■DCMS □Trade & Industry □Overseas ■Chancellor's depts ■DEFRA ■Transport □DWP ■ODPM ■CJS □Defence ■Education ■Health

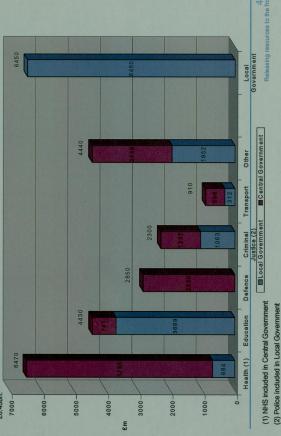
Background - savings by Gershon Report Theme

f22.2bn figure for 2007/08 is greater than the £21.5bn figure in the Spending Review and Sir Peter Gershon's report as it includes contingencies identified by Departments. The figure for public statements remains £21.5bn) * Misc/Unallocated means that the activities have either not yet been allocated to a Gershon workstream or fall outside existing workstreams.



Background - savings by policy area in 2007/08

£5.65 billion efficiencies across central and local government identified by Gershon. It also includes departmental contingencies. The total The total of all the columns here adds up to more than the £21.5bn figure in the Spending Review. This is because it includes overlap of local government contribution that departmental plans suggest might be achieved is also higher than the Spending Review Figure of £6.45bn.



Where we are now: Examples of delivery to date

Department / Area	Amount	Description
Health	£200m this year	Savings on generic drugs
MoD	£300m in 2003/04	Savings on defence logistics
DWP	£500m by March 2005	Direct payment of benefits to customer accounts – savings over two years
Electronic auctions assisted by OGC	£10.4m to date this year	Savings of over 15% compared to contract value
Staff reductions	3,000 in DWP; 633 in HMRC; 400 in DfES	Reductions to date
Relocations	10 in DfT; 36 in DfID, 85 in DTI 2,900 in DWP since July 2003	Relocations to date to Hastings, to East Kilbride, and to Billingham and Cardiff. Pensions Service and Jobcentre Plus dispersals

Additional examples in local authorities

Where we are now: Examples of delivery by April 2005

Department / Area	Department / Area Amount Descri	Description
Home Office HMRC	£200m £60m	Reduction in asylum support costs Majority come from reducing administrative staff
DfT MoD	£89m £140m over 10 years	From roads and Transport for London New military personnel administration system.
Health	£24m this financial year	New contracts for office furniture, logistics, agency staff and electricity awarded in September 2004
Electronic auctions assisted by OGC	Further £30m	Assumes savings at current rate
Staff reductions	1,400 in Health by April 2005 1,100 in Home Office by April 2005 300 in DTI by April 2005	This is 38% of Health HQ and has been announced Not yet announced Announced Announced within DTI
	Around 7,000 further reductions in DWP by summer 2005	Estimated and not announced
Relocations	25 further posts in DfT 50 further posts in DfID by end summer 2005	To Derby To East Kilbride
	222 posts in HMRC 600 posts in ONS to move by 2008, and 850 posts by 2010	Some of these posts have already been relocated To Newport, Gwent

Efficiency Team

Efficiency: Are we on track?

Area	Where we should be	Where we are
Delivery to date	Some examples being delivered already.	Happening, but better information needed centrally. Action underway John Oughton is asking for early sight of departmental announcements.
Departmental commitment	Departmental commitments strong - locked in by Spending Review.	Reluctance on relocation. <u>Action underway</u> John Oughton pressing Permanent Secretaries.
Departmental plans	Plans should have moved well beyond intentions, it should be clear how efficiency gains will be delivered.	Plans say too little about how efficiencies will be delivered. <u>Action underway</u> PSX meetings, John Oughton pressing Permanent Secretaries.
Local authorities	Agreed approach on delivery between departments and local authorities	Dialogue needs improvement. <u>Action underway</u> Joint ODPM / Treasury / OGC pressure though PSX.

Efficiency Team

Efficiency: Are we on track?

Area	Where we should be	Where we are
Measurement	High level departmental proposals on measurement should be published.	Most departments' proposals were published at the end of October. More needed. <u>Action underway</u> Treasury / OGC working with departments.
Staff reductions	Trajectories for reducing staff numbers should be clear.	Trajectories are not all developed. <u>Action</u> underway. PSX meetings. Work with departments
Procurement	Departments should have provided OGC with proposals for improving procurement.	Few departments have come forward with specific proposals. <u>Action underway</u> John Oughton pressing Permanent Secretaries.
Change agents	Change agents should be beginning to provide support to Departments	In most areas, Change Agents are some way off being able to provide full support. Action underway Recruitment from outside Government.

Efficiency - Issues for discussion

- Sustained Ministerial and top management commitment needed. Whole life project plans, with milestones, and early delivery commitments required.
- Local authorities Dialogue between Departments and local authorities should be strengthened and accelerated. Plan of engagement required.
- Staff reductions Departments need to produce detailed trajectories.
- Efficiency and Relocation Support Programme work with Unions to increase redeployment and minimise compulsory redundancies.
- Relocation Secretaries of State to press their departments on action.
- Procurement Departments to firm up plans to improve value for money and professional skills.

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CABINET

CONCLUSIONS of a Meeting of the Cabinet held at 10 Downing Street on

> THURSDAY 11 NOVEMBER 2004 at 9.30 am

> > PRESENT.

The Richon Tony Blair MP
Prime Minister

The Rt Hon John Prescott MP
Deputy Prime Minister and First Secretary of State

The Rt Hon Jack Straw MP Secretary of State for Foreign and Commonwealth Affairs

The Rt Hon Margaret Beckett MP Secretary of State for the Environment, Food and Rural Affairs

The Rt Hon Dr John Reid MP Secretary of State for Health

The Rt Hon Paul Murphy MP
Secretary of State for Northern Ireland

The Rt Hon Patricia Hewitt MP Secretary of State for Trade and Industry The Rt Hon Gordon Brown MP Chancellor of the Exchequer

The R Hon David Blunkett MP Secretary of State for the Home Department

The Rt Hon Alistair Darling MP Secretary of State for Transport and Secretary of State for Scotland

The Rt Hon Alan Mileura MR Chancellor of the Duchy of Lancaster

The Rt Hon Geoff Hoon MP Secretary of State for Defence

The Rt Hon Tessa Jowell MP
Secretary of State for Culture, Media and S

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The Rt Hon Hilary Armstrong MP Chief Whip (House of Commons)

The WHon Paul Boateng MP Chief Secretary to the Treasury

The Rt Hor Basoness Amos Leader of the House of Lords and Lord President of the Council

The Rt Hon Hilary Benn MP Secretary of State for International Development The Rt Hon Charles Clarke MP Secretary of State for Education and Skills

The Rt Hon Ian McCartney MP Minister without Portfolio

The Rt Hon Lord Falconer of Thoroton QC Secretary of State for Constitutional Affairs and Lord Chancellor

The Rt Hon Alan Johnson MP Secretary State of Work and Pensions

ALSO PRESENT

the Rt Hon The Lord Grocott Chief Whip (House of Lords)

SECRETARIAT

Sir Andrew Turnbull
Mr K Parroth
Sir Nigel Sheinwald
Mr P Britton
Mr G Fergusson
Mr R Fellgett

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Sudan Dote d'Ivoire

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In the Lords, there had been a welcome increase in the number of Government peers legislation, such as the Children's Bill, adopted without defeat.

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THE PRIME MINISTER said it was possible the Lords would adopt the compromise option for the Hunting Bill, involving licensed hunting. before returning the Bill to the Commons. In that case, there should be a free vote in the Commons and his personal preference would be to accept the compromise

The following points were made in discussion:

- the empromise was preferable, having been a. recommended by Lord Burns;
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THE CHANCELLOR OF THE EXCHEQUER informed the Cabinet that the Pre-Budget Report would be published on Thursday 2 December, with his Statement therefore on the day immediately after the debate on the Queen's Speech.

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The Cabinet were informed of the main issues affecting the conduct of the Government in the week beginning Monday 15 November.

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THE DEPUTY PRIME MINISTER reported that the referendum in the North East of England had emphatically rejected a regional assembly by a majority of 78 to 22 percent. In part the "no" vote reflected a concern the Regional Assembly would not have had sufficient powers. However, the public mood also evidently reflected concerns, albeit inaccurate ones. about another tier of Government, more politicians and higher council tax. The "yes" campaign had not been well-managed. As regards the associated question of local government reorganisation, voters in Ducham

Strategy

had opted narrowly for a single unitary authority and in Northumberland had voted narrowly against two unitary authorities. Further thought would need to be given to the longer term implications for policy on local government reform.

THE SECRETARY OF STATE FOR THE ENVIRONMENT, FOOD AND RURAL AFFAIRS gave a presentation on her department's 5-year strategy entitled "Delivering a better quality of life" (attached). She said immediate challenges were to maintain the Government's leadership on environmental issues and to take credit for all the Government had done for rural communities, notwithstanding the debate about hunting.

When the Department for the Environment, Food and Rural Affairs (DEFRA) had been created 3 years earlier, the vision it had worked to involved climate change and environmental degradation, rural communities, food, fishing and farming industries, management of the land, promoting bio-diversity and supporting animal welfare and protection against animal disease. This vision had stood the test of time. In the intervening years much had been delivered. In particular the new department was well on the way to becoming a single integrated whole with a marked when culture. The Animal Welfare Bill which Cabinet had agreed to include in the Queen's Speech would be very popular.

In support of key challenges for the next 5 years - environmental leadership, changing behaviour and embedding sustainability - DEFRA was changing to become a smaller, strategic department focusing on the environment and natural resource protection.

The United Kingdom (UK) was in factor world leader in environmental issues. Further announcements planted were: the Clean Neighbourhoods Bill and action to deal with abandoned vehicles, the fuel poverty action plan and flood risk management. In changing the behaviour of consumers and businesses there was a major opportunity to boost innovation. New announcements planned in this area included the "environment direct" advice service to help donsumers, 30 percent of whom wanted to contribute to the environment but only 3 percent of whom did so. Innovative approaches to handling waste included involving retailers such as supermarkets in promoting recogling. Farmers should be paid for public goods rather than food producti

Many departments were involved in embedding sustainability within Government. While her department owned the targets other often had the levers. Cross-departmental working was therefore essential

embedding sustainability within rural England, the highest priority challenge was to ensure affordable housing in rural areas. She also planned a genuine streamlining of 100 separate rural funding schemes into just 3 programmes and to publish a Rural Delivery Bill in the New Year to implement the findings of the Haskins Review. In embedding sustainability in farming, much had been agreed but had yet to be fully rolled out. The single gateway to Government for payments, information and compliance was very important. Previously, farmers had to deal with 10 schemes but would now have to fill in just one form and receive one payment. Her department was a major regulator and real changes were planned. These included the new "viper" for the food industry as part of the food industry sustainability strategy.

All this required reform of her department, so, for example, 50 percent of Senior Civil Servants in DEFRA were new to that level.

Concluding THE SECRETARY OF STATE FOR THE ENVIRONMENT, FOOD AND RURAL AFFAIRS drew attention to the list of new appouncements summarised at the end of her presentation. If asked to pick the top 5 exemplars of her proposed approach she would nominate the Clean Neighbourhoods Bill; new measures to promote energy efficiency and the climate change review; involving retailers in promoting recycling the Rural Housing Commission (if confirmed); and the single payment scheme and whole farm approach which would mean one form, one date, one parment and one face from Government.

The following points were made in discussion:

- a. an excellent presentation had rightly emphasised the connections between the work of different departments. For example, there was now close working between DEFRA and the Department of Trade and Industry on energy and a major opportunity to work together to support innovation and productivity;
- b. it would be helpful to understand the impact of the pressures placed on farming by major buyers such as supermarkets;
- c. the lack of affordable housing was a key issue in many rural areas;
- d. there was indeed a lot to do to make progress on affordable rural housing. In tackling poverty and social exclusion it was

important to recognise that, while progress had been made, the gap between the bottom 10 percent of the population and the rest was growing. This must be tackled across all departments;

- e. in some remote areas access to further and higher education and employment were more important issues than housing, especially where transport was difficult and car ownership was low:
- f. in some areas schools were collaborating to offer sixth form provision without pupils having to travel long distances;
- g. it would be helpful to clarify the impact of the landfill directive:

while this was an excellent presentation, it was important to regognise the gap between expectations and what could realistically be achieved under the UK Presidency of the Group of Seven (G7). There was unlikely to be major progress on the environment, trade would be difficult and international development required progress on financing mechanisms:)

- i. inter-departmental cooperation to deliver Public Service Agreement (PSA) targets was indeed important and difficult. This applied to RSAs elating to sustainable development. The UK had a very good record in meeting its Kyoto targets for greenhouse gas etaissions, though it had also adopted a domestic target for a 20 percent reduction which would be very difficult to achieve. As a result it would not get full credit for its record;
- j. the proposals to increase investment by the water companies to tackle sewer flooding, which blighted many homes, was most welcome.

Responding, THE SECRETARY OF STATE FOR THE ENVIRONMENT, FOOD AND RURAL AFFAIRS and the agreed on the importance of cross-departmental working. The relationship between supermarkets and suppliers should not just be viewed as a question about the market power of purchasers. The work being done on the supply chain was designed to help producers cooperate, but they were offe

unwilling to do so. Some milk producers were likely to go out of business, but others were profitable and successful. She agreed that access in remote areas was important and with better statistics about both poverty and access it was now possible to target interventions on such areas. There was a similar need to extend broadband internet access, on which work was underway. She would circulate a note on the Landfill Directive. While there were difficult issues to tackle under the G7 Presidency, she felt more optimistic now Russian ratification meant the Kyoto Protocol would come into force and she believed this would have an impact on United States of America opinion. There was more recognition that development, trade and environmental issues had to be Tooked at together. She had been very struck by the economic and employment opportunities represented by new environmental industries. Two years earlier these had turned over £16 billion a year and employed 170,000 people. The comparable figures were now £25 billion and 400.000 people. It was therefore right to continue to inform the public about the problem of climate change but equally important to stress the investment and innovation opportunities represented by tackling the problem. Finally, it was right to emphasise that the UK had exceeded its Kyoto targets. However, it had not done so well in managing one greenhouse gas namely carbon dioxide, and emissions of Carbon Dioxide (CO2) were in fact slightly higher than they were in 1997. The 20 percent target was undoubtedly very difficult and this needed to be tackled in the forthcoming climate change review.

Summing up, THE PRIME MIXISTER said it would be important to pick out the key elements of the proposed strategy and to link them with other elements of the Government's programme. The Clean Neighbourhoods Bill was about the local environment, Climate change was about the global environment and the UK's leadership. Rural services were important, especially housing. It was very welcome that the new DEFRA was very different to the old Ministry of Agriculture, Fisheries and Food and had used reform of the Common Agricultural Policy to support public goods while food production took place on a market basis. Regulation had to be simplified. The department deeded to become slimmer and more strategic.

The Cabinet -

1. Took note.

FOREIGN AFFAIRS President Arafat

THE FOREIGN AND COMMONWEALTH SECRETARY said that the death of President Yasser Arafat of the Palestine Authority ha

Previous Reference:

been announced that morning. He would attend the funeral in Cairo, accompanied by the foreign affairs spokesmen of the main opposition parties.

CC(0¥;

Iraq

Previous Reference

THE FOREIGN AND COMMONWEALTH SECRETARY said that reports had been received of a big car bomb explosion in Baghdad that morning. The operation in Fallujah was going slightly better than had been anticipated. There were civilian casualties, but the Iraqi Prime Minister, Dr. Allawi, had gone to great lengths to pursue a political solution. It was necessary to deal with Fallujah if elections were to be held. In public statements we should underline the discovery of the houses in which kidnap victims, probably including Mr. Kenneth Bigley, had been murdered. We should also emphasise that the operation was the strategy of the Interim Iraqi Government which, though not elected, was established by a United Nations Security Council Resolution; and that the Resolution bad imposed a duty on the Multi-National Force to support the Iraqi stratures in their progress toward elections.

Iraq: Civilian Casualties

THE FOREIGN AND COMMONWEALTH SECRETARY said that he would make a written statement on the estimate of Iraqi civilian casualties published by the Lancet". The figure of 98,000 additional deaths, extrapolated from a base of 58 deaths by violence, produced a range of possible results from \$000 to 194,000 deaths. These figures related to total additional deaths by which the authors suggested 60 percent resulted from violence. He proposed to make more use of the Iraqi Ministry of Health's figures, which were more reliable.

Sudar

Previous Reference:

THE FOREIGN AND COMMONWEALTH SECRETARY said that a new United Nations Security Council Resolution on Sudan was being drafted. The UK was pressing for tough wording.

CC(04)28.3

Côte d'Ivoire

THE FOREIGN AND COMMONWEALTH SECRET ARY said a serious, but under-reported, situation had developed in the Transfer of the Government of Côte d'Ivoire had bomber and killed French soldiers. France had responded by destroying the strongly of the Côte d'Ivoire air force. The position of foreigners in Côte d'Ivoire had become difficult. The Foreign and Commonwealth Office and Whitely the Co

of Defence were making arrangements for the evacuation of up to 400 citizens of the UK and others for whom we had responsibility.

Delivering a better quality of life Defra's Five Year Strategy

Handout



The Defra vision

Our vision is of a world in which:

- where low carbon emissions and efficient use of environmental resources are at the heart of our whole Climate change and environmental degradation are recognised and addressed by all nations and
- Rural communities are diverse, economically and environmentally viable, and socially inclusive with high quality public services and real opportunities for all;
- subsidies, but work closely together and with Government to produce safe, nutritious food which A country where the food, fishing and farming industries are not dependent on output related contributes positively to consumer choice and the health of the whole nation:
- A place where we manage the land in a way that recognises its many functions, from production through to recreation;
- Where we seek to promote biodiversity on land and in our seas;
- And where animal welfare and protection against animal disease is at the core of the way in which we farm and live.

Through the practice of sustainable development, economic, environmental and social, we will achieve



Delivering our vision – the last three years

Realising our vision through ...

- Creating a new Department "a single integrated whole with a markedly new culture"
- Making a key contribution to the successful completion of international climate change negotiations in 2001, breathing legal life into the Kyoto Protocol
- Launching the world's first economy wide greenhouse gas emissions trading scheme during the first 2 years, participating companies reduced their emissions by 9.8 million tonnes and setting target to reduce carbon emissions by 50% by 2050
- Providing grants to over 800,000 fuel poor households for insulating, heating and draught-proofing
- Reforming the CAP ending the link between production and direct subsidy, freeing farming to respond to the demands of the marketplace
- Bringing almost 400,000 hectares of land into agri-environment schemes since 2001, protecting and enhancing the value and biodiversity of the countryside
- Giving people greater freedom to explore the countryside through implementation of the Countryside and Rights of Way Act
- Working across Government and its agencies to provide support for rural public services including transport, healthcare and policing
- Consulting on a draft Animal Welfare Bill to help the UK establish itself as a world pace-setter for defra animal welfare standards

Delivering our vision - the next five years

Key challenges for next five years:

- Environmental leadership
- Changing behaviour
- Embedding sustainability



Defra moves toward being a small, strategic department focussing on environment and natural resource protection

- Core Department 60% smaller
- defra

Environmental leadership

Leading by example — from local to global - to improve everyone's quality of life

Key challenge

- Liveability and health inequalities: Showing real progress in creating cleaner, greener, safer neighbourhoods - and linking to public health agenda
- Fuel poverty: Lifting the remaining 1.2million homes in England out of fuel poverty by 2013
- Impacts of new housing: show we can meet demand for additional housing while managing environmental impacts
 - Effective management of flood risk
- Climate change: Closing domestic CO2 gap and making progress internationally on climate change with US and fast growing economies - India, China, Brazil; getting aviation into EU

- Clean Neighbourhoods Bill and action on abandoned vehicles
- Fuel Poverty Action Plan
- Flood risk management –delivering multiple objectives and increasing efficiency in provision
 - New measures to promote energy efficiency and climate change review will need more action to close gap



Changing behaviour

Key challenges

- Consumers and Business: removing barriers, creating incentives and enabling action without overregulation or nannying - and making it easy to "lock in" to less damaging choices
- Innovation: use Government purchasing clout to raise product standards and boost innovation -building on the announcement on schools made by the PM
 - Waste: meeting demanding targets on landfill
- Farmers: encouraging farmers to become sustainable land managers through a new approach to innovative use of EU funds

- Environment Direct (2006) advice service to give consumers clear and reliable information about the environmental impact of the choices they make
- Use of Business Resource Efficiency and Waste (BREW) money plans for spending £284m over three years to help business become more innovative and resource efficient
- Innovative approaches to waste:
- involving retailers in promoting recycling
- working with LAs to pilot household incentive schemes for recycling and waste reduction
 - new ways of getting local buy-in on waste choices
- Paying farmers for public goods Environmental Stewardship in 2005

Embedding sustainability ... in government

Making sustainability the default behaviour

Key challenges

- To use the levers we have to embed sustainability make it the norm for government and the default for people:
- Planning new Planning Policy Statement 1 puts SD at heart of planning system;
- Construction implementing Sustainable Buildings Code
- Education and skills- schools and beyond to get habits right from start and build capacity
- Business reshape markets and incentives to make SD key to business success
- Transport reduce environmental impacts through technology and reducing need to travel while recognising economic and social benefits of travel
- Health strong, coordinated policies to implement the Public Health White Paper
- To embed through all levels of government:
- Re-energise at local / community level
- Make new RDA tasking framework work
- Defra leading by example

- New Defra targets and standards on embedding sustainability specific targets for the Defra estate
 - A new carbon offset scheme for all Defra travel
- New UK Strategy launch March 2005



Embedding sustainability ... in rural England

Development of thriving rural economies

Key challenges

- Rural Housing: addressing need for affordable housing in rural areas
- Regeneration and Services: new focus on tackling pockets of social exclusion and deprivation within generally prospering rural economy – access to local services for all
 - Rural Delivery: Making devolved model work and ensuring high quality and appropriate public services in rural areas are delivered by all Departments with a real focus on social deprivation
 - Natural Resources
- Land and Coastal: create new modern framework for sustainable land use reflecting competing demands, including adaptation to climate change and end to production driven approach to agriculture for Integrated agency
- Marine: managing marine resources and creating a long-term viable fishing industry

- Rural Housing Commission (TBC) working with ODPM to explore best practice in addressing the housing needs of rural communities
- Programme of action to help social enterprise sector flourish
- Streamlining 100 separate rural funding schemes into 3 major programmes
 - Rural Delivery Bill to be published in the new year
- Priority action to improve access to coastal land
- Marine Bill to provide new framework for sustainable management of marine resources
 - Fisheries Science Partnership funding for joint working between scientists and fishers



Embedding sustainability in farming

Implementing our vision for sustainable farming

Key challenges

- Creating new partnership for farming in return for higher standards and greater responsibility, in five years, farmers will:
- bave radically simplified payments from Defra;
- o be free to respond to the market;
- have a single gateway to Government for payments, information and compliance with regulations, through the Whole Farm Approach;
- have access to regionally-based, clearly signposted advice and business support. 0

- Lifting OTMS in 2005 once Ministers / FSA are assured an adequate testing regime is in place
- Single Payment Scheme and Whole Farm Approach one form, one date, one payment, one face from government



Better regulation

regulators" foreword Defra Regulation Taskforce Report, 2004

Key challenge

- Turning Regulation Task Force proposals into real changes in Defra David Arculus agreed to work with us to take forward
- Meeting rising expectations for higher environmental standards (as CBI acknowledge)
- Raising standards in farming without traditional approach of heavy but ineffective
 - Taking forward agenda when 2/3 regulation comes from Europe

- Development of new strategy for farming regulation based on understanding of actual current burdens and based on shared vision with stakeholders
- Review on the streamlining environmental permitting proposal from EA under
- Study on red tape, to set ourselves demanding challenges to reduce the amount of paper work undertaken by businesses and farmers
 - New "VIPER" for food industry as part of Food Industry Sustainability Strategy
- Take5 scheme to give all Defra senior civil servants annual exposure to sharp-ene of Defra regulation

Departmental reform

A single integrated whole with a markedly new culture (PM: June 2001)

- Major 'refreshing'
- o New Board
- 17/27 Directors new to that level in Defra
- o 50% of SCS new to that level
- o >5% early departures in SCS per year
- Professionalisation of corporate services
- Radical increase in efficiency of corporate services of 40%
 - Leading the way on science and horizon scanning
- Increased working on programme and project management basis, across organisational boundaries
- Strategic partnership with IBM to deliver IT services and applications



Departmental Reform: Defra organising to deliver

Our strategy is to achieve a **delivery landscape** which:

- has delivery bodies which are better coordinated and accountable;
- shares core information and systems;
- meets the needs of customers, and provides one-stop entry points;
- is efficient as well as effective in delivering services;
- supports a new partnership between policy & delivery;

...and a central policy core which:

- is smaller, and more focused on strategy, outcomes and analysis;
- influences and works in partnership;
- manages delivery through others

Staff Numbers in Defra & Executive Agencies	14000	13700	c.9100
Core Defra	8000	7000	c3200
Date	2001	2004	2008

- Core Department 60% smaller (8000 in 2001, c. 3200 in 2008)
- Efficiency Programme will result in job reductions of 21% in Defra & G Agencies

New Announcements – Summary

- Fuel Poverty Action Plan
 - Fuel Poverty Action Pla
 Flood risk management
- New measures to promote energy efficiency and climate change review
- Environment Direct
- Business Resource Efficiency and Waste programme
- Involving retailers in promoting recycling
- working with LAs to pilot household incentive schemes for recycling and waste reduction
 - New ways of getting local buy-in on waste choices
- Paying farmers for public goods Environmental Stewardship
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 - Marine Bil
- Fisheries Science Partnership
 - Lifting OTM rule
- Single Payment Scheme and Whole Farm Approach 1 form, 1 date, 1 payment, 1 face from government
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- Review on streamlining environmental permitting
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 - VIPER for food industry
- Take5' to give all Defra senior civil servants annual exposure to sharp end of Defra regulation



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CABINET

CORRIGENDUM

TO

CC(04)33rd

Please replace page's 1 and 2 of the Conclusions circulated on Friday 12 November at 8.00am with the attached page's for the Cabinet Conclusions paper CC(04)33rd.

Cabinet Office 12 November 2004

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MENTARY

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When the Department for the Environment, Food and Rural Affairs (DEFRA) had been created 3 years earlier, the vision it had worked to involved climate change and environmental degradation, rural communities, food, fishing and farming industries, management of the land, promoting bio-diversity and supporting animal welfare and protection against animal disease. This vision had stood the test of time. In the intervening years much had been delivered. In particular the new department was well on the way to becoming a single integrated whole with a marked proculture. The Animal Welfare Bill which Cabinet had agreed to include the Queen's Speech would be very popular.

In support of key challenges for the next 5 years - environmental leadership, changing behaviour and embedding sustainability - DEFRA was changing to become a shaller, strategic department focusing on the environment and natural resource protection.

The United Kingdom (UK) was in fact a world leader in environmental issues. Further announcements planned were: the Clean Neighbourhoods Bill and action to deal with abandoned vehicles, the fuel poverty action plan and flood risk management. In changing the behaviour of consumers and businesses there was a major opportunity to boost innovation. New announcements planned in this area included the "environment direct" advice service to help consumers, 30 percent of whom wanted to contribute to the environment but only 3 percent of whom did so. Innovative approaches to handling waste included involving retailers such as supermarkets in promoting recycling. Farmers should be paid for public goods rather than food production.

Many departments were involved in embedding sustainability within Government. While her department owned the targets others offer had the levers. Cross-departmental working was therefore essential in OCUMENT IS THE PROPERTY OF HER BRITANNIC MAJESTY'S GOVERNMENT COPY NO

CABINET

CONCLUSIONS of a Meeting of the Cabinet held at 10 Downing Street on

THURSDAY 18 NOVEMBER 2004

PRESENT

on Tony Blair MP e Minister

The Rt Hon John Prescott MP Deputy Prime Minister and First Secretary of State Chancellor of the Exchequer

The Rt Hon Jack Straw MP Secretary of State for Foreign and Commonwealth

The Rt Hon Margaret Beckett MP Secretary of State for the Environment, Food and Rural Affairs

The Rt Hon Dr John Reid MP Secretary of State for Health

The Rt Hon Paul Murphy MP Secretary of State for Northern Ireland

The Rt Hon Patricia Hewitt MP Secretary of State for Trade and Industry The Rt Hon Gordon Brown MP

The Rt Hon David Blunkett MP Secretary of State for the Home Department

The Rt Hon Alistair Darling MP Secretary of State for Transport and Secretary of State for Scotland

The Rt Hon Alan Milburn AIP Chancellor of the Duch of Jancaster

The Rt Hon Geoff Hoon MP Secretary of State for Defence

The Rt Hon Tessa Jowell MP Secretary of State for Culture, Media and

The Rt Hon Hilary Armstrong MP

The Pr Hon Paul Boateng MP Chief Secretary to the Treasury

The Rt Hon Paroness Amos Leader of the House of Lords and Lord President of the Council

The Rt Hon Hilary Benn AP Secretary of State for International Development

CONFIDENTIAL

The Rt Hon Charles Clarke MP
Secretary of State for Education and Skills

The Rt Hon Peter Hain MP Leader of the House of Commons, Lord Privy Seal and Secretary of State for Wales

The Rt Hon Lord Falconer of Thoroton QC Secretary of State for Constitutional Affairs and Lord Chancellor

The Rt Hon Alan Johnson MP Secretary State of Work and Pensions

ALSO PRESENT

The Rt Hon The Lord Grocott Chief Whip (House of Lords)

SECRETARIAT

Sir Andrew Tumbull
Mr K Darroth
Sir Nigel Shedtwald
Mr P Britton
Mr D Bowen
Mr R Fellgett

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PARLIAMENTARY BUSINESS
Hunting Bill

CURRENT EVENTS
Council Tax

FOREIGN Iraq: Murder of Margaret Hassan Subject



The Cabinet were reminded that Parliament would meet again on Tuesday 23 November for the Queen's Speech. The subsequent debate would take place on the 23, 24, 29, 30 November and 1 December. There remained only a provisional allocation of subjects for debate on each day during this period.

Hunting Bi

That day, the Lords and Commons would need to complete consideration of the Civil Contingencies, Pensions and Hunting Bills prior to prorogation.

CC(04)33.1

The following points were made in discussion:

- the Lords had supported amendments to the Hunting Bill, which would have the effect of watering down the licensing regime (already rejected by the Commons), requiring a Secretary of State to seek the agreement of Parliament before such a licensing regime came into effect and requiring that no such proposal be put before 1 December 2007:
- the Clerks to the Commons and Lords were meeting that b. morning to discuss what was now procedurally possible;
- while the Lords appeared to be promoting a longer delay, C. in practice they had voted to ensure that, if the Bill came into effect under the Parliament Act, it would do so from February 2005 rather than from 1 July 2006 as the Commons "suggested amendment" envisaged;
- a delay, at least until July 2006, was desirable to enable d the police to develop an intelligence-led approach to tackling hunt supporters who planned to defy the law and to avoid police resources being diverted in the interim;
- while there were a range of views among the Government's supporters in Parliament and in the country, it would presentationally be very helpful to have one last attempt to secure agreement to delayed implementation of the Act and make it clear it was in practice pro-hunting members of the Lords who were opposing apr such delay.

Summing up, THE PRIME MINISTER said it was clear a barrow unting

with dogs needed to come into effect automatically on a chosen date. However, if possible, it would be sensible to make one last attempt to secure agreement to the Act coming into effect after a delay rather than as quickly as February 2005 in order to allow time for the police and people in the countryside to adjust.

The Cabinet -

Took note.

The Cabinet were informed of the main issues affecting the conduct of the Government in the week beginning Monday 22 November.

Council Tax

Previous Reference: CC(04)29.2

THE DEPUTY PRIME MINISTER said that the Public Services and Public Expenditure Committee had the previous day reached agreement on a package of measures, including substantial additional grants for local authorities, designed to keep down council tax increases in 2005/06. The decisions required had been difficult and he was very grateful to colleagues for the spirit in which the discussions had been conducted. The proposals would place the Government in a strong position from which to exhort local authorities to behave responsibly when setting the tax. Although the Complittee had decided against the pre-announcement of council tax capping criteria, the Cabinet should recognise that it would be necessary to cap the budgets of some local authorities. The Government would need to be explicit about the level of tax increases which were acceptable and would need to make it clear that it was ready to cap any authority which behaved irresponsibly.

FOREIGN AFFAIRS

Iraq: Murder of Margaret Hassan

THE FOREIGN AND COMMONWEALTH SECRETARY said that we now believed that Mrs. Margaret Hassan, who had been kidnapped in Iraq, had probably been killed. A video recording, apparently of the murder, had been received six days earlier and been analysed. The Foreign Secretary had visited the family the previous evening. This had not been publicised. If asked about the visit, Ministers should say that this was a matter for the family. The family did not want publicity. Ministers should be careful in making any comments and avoid linkages to wider issues about Iraq or terrorism.

THE DEPUTY PRIME MINISTER said that Ministers should be aware of how difficult it was to meet victims' relatives in these circumstances. He paid tribute to the way in which the Foreign Secretary and also

Defence Secretary had conducted such meetings on the Government's behalf.

THE FOREIGN AND COMMONWEALTH SECRETARY said that, with France and Germany, we had finally reached an agreement with the Iranians that could be reported to the Board of the International Atomic Energy Agency. This was satisfactory, but a great deal of work remained to ensure that Iran complied with the terms of the agreement.

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POCLIMENT IS THE PROPERTY OF HER BRITANNIC MAJESTY'S GOVERNMENT

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CABINET

CONCLUSIONS of a Meeting of the Cabinet held at 10 Downing Street on

> THURSDAY 25 NOVEMBER 2004 at 9.30 am

> > PRESENT

The Retion Tony Blair MP Prime Minister

The Rt Hon John Prescott MP
Deputy Prime Minister and First Secretary of State

The Rt Hon David Blunkett MP
Secretary of State for the Home Department

The Rt Hon Alistair Darling MP Secretary of State for Transport and Secretary of State for Spotland

The Rt Hon Alan Milburn MP Chancellor of the Duchy of Lancaster

The Rt Hon Geoff Hoon MP Secretary of State for Defence

The Rt Hon Hilary Armstrong MP Chief Whip (House of Commons)

the Rt Hon Gordon Brown MP Chancellor of the Exchequer

The Rt Flon Margaret Beckett MP Secretary SState for the Environment, Food and Rural Agains

The Rt Hon for John Reid MP Secretary of State for Health

The Rt Hon Paul Murphy VIR Secretary of State for Northern Ireland

The Rt Hon Tessa Jowell MR Secretary of State for Culture, Media and Sport

The Rt Hon Charles Clarke MP
Secretary of State for Education and Ski

The Rt Hon Paul Boateng MP

The Han Ian McCartney MI

The Action Ian McCartney MP Minister without Portfolio

The Rt Hon Cord Palconer of Thoroton QC
Secretary of State for Constitutional Affairs and Lord Chancellor

CONFIDENTIAL The Rt Hon Peter Hain MP

Leader of the House of Commons, Lord Privy Seal and Secretary of State for Wales

The Rt Hon Baroness Amos Leader of the House of Lords and Lord President of the Council

The Rt Hon Hilary Benn MP Secretary of State for International Development

The Rt Hon Alan Johnson MP Secretary State of Work and Pensions

ALSO PRESENT

The Rt Hon The Lord Grocott Hief Whip (House of Lords)

The Reffor The Lord Goldsmith QC
Attorney General

SECRETARIAT

Sir Andrew Turnbull
Mr K Darroch
Sir Nigel Sheinwahd
Mr P Britton
Ms M Aldred
Mr G Fergusson
Mr R Fellgett

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IAMENTARY

The Cabinet were informed of the business to be taken in the House of Commons in the week beginning Monday 29 November. The debate on the Queen's Speech would continue over the first three days. On Thursday 2 December statements were planned on the Pre-Budget Report, local government finance and benefits up-rating. The Cabinet were also informed of the provisional business for the period until the House would rise for the Christmas Recess on Tuesday 21 December. This included second readings for the Railways, Serious Organised Crime and Police, Commissioners for Revenue and Customs and Identity Cards Bills. The Commons would also complete the remaining stages of the Mental Capacity and School Transport Bills.

THE CHIEF WHIP (LORDS) noted that the Government had suffered 64 defeats in the Lords in the previous Session. This compared with an average of 12 Government defeats a year when John Major was Prime Minister. Had the main Opposition party been more confident it could have saysed even more difficulties for the Government's legislative programme)

CURRENT EVENTS

The Cabinet were informed of the main issues affecting the conduct of the Government in the week beginning Monday 29 November.

Department for Constitutional Affairs 5-year Strategy

THE SECRETARY OF STATE FOR CONSTITUTIONAL AFFAIRS gave a presentation (attached), on his department's strategy for 2004-2009. He said this showed the Department for Constitutional Affairs was a new department, focused on the consumer rather than the provider. The Department had responsibilities in the fields of: crime and anti-social behaviour; asylum and immigration; protecting the vulnerable; faster and more effective dispute resolution; and the constitution, with the aim of strengthening democracy and rights. Whereas the Lord Chancellor's Department had focused on judges, lawyers and systems, in the future the aim was to improve the way justice was delivered and to re-engage people with the democratic system. The public wanted three key priorities to be dealt with: crime and anti-social-behaviour, asylum and immigration appeals (which the public wanted to see dealt with quickly and fairly) and civil and family justice (which they wanted to be inexpensive and available).

In tackling crime and anti-social behaviour, people wanted courts to be fair, to be respected (so the sanctions they imposed actually happened) and to be effective and connected in the sense that judges and pragistrates

needed to demonstrate they understood the concerns of the communities they served. The asylum and immigration appeals system needed to deal with cases more rapidly while ensuring legitimate asylum seekers and migrants genuinely fleeing persecution were welcomed. It would be important to end the abuse of legal aid, and it was noteworthy that the better law firms were among the most concerned about exploitation by the less scrupulous. The civil and family justice service needed to react much more quickly; it was, for example, unacceptable that on average a childcare case took over 40 weeks.

A lot had already been achieved. For example, there were now many more anti-social behaviour orders, more fines were enforced and specialist courts had been set up to deal with, for example, anti-social behaviour and domestic violence. Legislation had been passed to set up a single tier for asylum and immigration appeals to come into effect in Spring 2005. Enshrining the Human Rights Act in statute was both important and a distinctive feature of this Government's approach. In the future, it would be necessary to bring more offenders to justice, to ensure people had more confidence in the criminal justice system and to continue to contribute to managed migration. The continuing growth in expenditure on criminal legal aid squeezed out the provision of legal aid in civil cases and this was a problem that needed to be addressed. Some 49 percent of legal and obsts were incurred on just 1 percent of cases. A recent example and very tening was that £21 million had been spent on the defence of a number of splicitors accused of defrauding the legal aid system of some £8 million. / would be essential to address the trial process to bring this expenditure under control and ensure more help was available to help people solve their problems.

All parts of the criminal justice system, that is to say the courts, police and prosecutors, were now working better together in, for example, better case preparation and management. It would also be important to make further progress in ensuring that court orders were obeyed in practice. Some localities were much better than others in this respect. It would be important to respond to local concerns and focus on the law-abiding citizen to improve confidence in the criminal justice system. An interesting innovation was taking place in Liverpool where a new community court was located with other agencies serving the local community.

In helping more people manage their problems, it would be important to ensure that the vulnerable and disadvantaged had full access to justice.

would also be helpful to look across Government at how people were given advice. This need not invariably be advice from expensive lawyers but could be help given more effectively and cheaply in other ways including, for example, the Citizens' Advice Bureau. Reforming the tribunal system would also help people resolve their disputes earlier.

Concluding, THE SECRETARY OF STATE FOR CONSTITUTIONAL AFFAIRS said he was undertaking reform for a purpose. The aim was to focus on people's priorities - crime, anti-social behaviour, asylum, civil and family justice - while always putting the needs of the law-abiding public before the interests of the provider.

The following points were made in discussion:

co-operation across the whole criminal justice system was now much more effective;

the Liverpool experiment was very interesting. The local Mudge would take all local cases and sentence those who pleaded guilty or were found guilty in another court. The focus was on problem-solving rather than just dealing with individual cases, so, for example, this might be drug treatment rather than a custodial sentence. The range of possibilities included getting the family involved in dealing with an individual;

- the same shift to a problem-solving approach was being taken in family law:
- it was essential for magistrates to understand the d. community they served and it was therefore disappointing that there did not appear to be progress in appointing more magistrates from working class or ethnic minority communities. This might be because the people concerned did not have the necessary confidence, although that might be built by involving them in other aspects of local governance;
- the fact that magistrates' courts were often located a long way from a community with a particular problem also did not help. This was exacerbated by the rationalisation of the court estate:

thought needed to be given as to how the public would start to perceive a change in the way the courts and other parts of the criminal justice system operated. Information was key here. For example, victims might be disappointed if they were simply informed that the Crown Prosecution Service decided there was insufficient evidence to prosecute. Where the prosecutors had found time to explain the reasons for their decision to those affected this had been very helpful;

the improvement so far in enforcement of fines was welcome. Specialist courts were also a helpful development.

Responding, THE SECRETARY OF STATE FOR CONSTITUTIONAL AFFAIRS said specialist courts such as those dealing with anti-social behaviour brought together a group of magistrates, clerks and prosecutors with the necessary expertise and experience. Better enforcement of fines was a consequence of more careful means-testing, employing civilian staff to collect fines and ensuring cases where people had not paid were listed on a single day so those who had not paid could see the threat of being sent to jail was a real one. Serious efforts had been made to recruit magistrates from a broader spectrum of the community, but these had not proved successful and needed to be looked at again. The court building programme needed to be more retional, but it would nevertheless never be possible to have a magistrates court in every locality. Rather, cases for a particular locality might all be listed on a single day and be dealt with by magistrates who were as close as possible to the community involved. The staff working in courts were adopting a different and more outward looking approach. Over time this would help change the public perception. It would also be essential for magistrates and judges to be seen to be visiting areas with a crime problem and to be listening to the general concerns of the community.

Summing up, THE PRIME MINISTER said the Cabinet endorsed the Secretary of State's broad strategy. While there was still a long way to go, changes were taking place within the system. Different parts of the criminal justice system were working together more executively and it was right to focus the purpose of the criminal justice system on the consumer, that is to say the law-abiding citizen. Changes to legal processes also needed to continue, such as the reform of the asylum appeal syst

Cabinet would welcome a presentation from the Attorney General on reform in the Crown Prosecution Service.

The Cabinet -

Took note.

5



DCA's Strategy 2004-2009

Presentation to Cabinet 25 November 2004

Summary

for the public not the provider

crime and anti-social behaviour

asylum and immigration

protecting the vulnerable

target for speeding up care cases

faster and more effective dispute resolution

strengthening democracy and rights

A fresh approach

The Public Comes First

The Past

Justice and legal systems traditionally centred around the needs of providers - judges and

The Future

Reform for a purpose: to improve the way justice is

Focusing on the issues

People want us to deal with their priorities:

- Crime and anti-social behaviour
- Asylum and immigration appeals
- Civil and family justice

CO Department for Constitutional Affairs

Crime and ASB

People want courts that are:

- Fair make judgements based on the
- Respected a range of sanctions and
- Effective dealing with offenders swiftly.
- Connected judges and magistrates



If you've been fined by the courts and haven't paid yet, time is running out. your local Madistrates Court NOW. You must go to the Fines Office at



Asvlum and immigration appeals system

People want a system that:

- deals with appeal cases rapidly
- ensures legitimate asylum seekers and migrants get a fair hearing
- ends abuse of legal aid

Civil and family justice

People want justice that:

- · Reacts quickly to protect the
- Is the ultimate means of redress
- Is more accessible with more
- confrontational helping people to Is faster, cheaper and less





A lot done

Steps we've already taken:

More offences dealt with and orders obeyed

A single tier for asylum and immigration appeals

Protecting the vulnerable

Offer for the future

- More offenders brought to justice by courts working
- People more confident in the criminal justice system (CJS) -
- Contributing to managed migration faster appeals and legal
- More people helped to manage their problems *vulnerable*
- People resolving their disputes quicker and cheaper easy
- More people will understand and engage with government

More offenders brought to justice

Better case preparation and management

cases come to trial on time, more modern oractices to reduce pressures on legal aid courts make the most of their pivotal position in dealing with offenders, with all 650 courts in England & Wales managed by HM Courts

Orders obeyed

more fines enforced (over 80%), community penalty breaches and fail to attend warrants dealt with faster







Il players, on time, right plac

More confidence in the CJS

Responding to local concerns

specialist courts dealing with community priorities (ASB, drugs and domestic violence) - by early 2005 over 50 ASB response courts and the new Community Justice Centre in N Liverpool up and running

Focusing on law-abiding citizen

victims, witnesses and jurors safe and valued with more personal attention and special facilities in court



Magistrates delivering local justice



The new face of justice for Liverpool

Contributing to managed migration

Fast and fair appeals

a single tier for appeals that is less bureaucratic and litigious allowing either faster removals for failed claims and faster, less stressful assimilation for successful claims

Legal aid for those who need it

Greater control with measures to target resources on those cases that have genuine merit







elcoming the genuine and removing the unsuccessful

More people helped to manage their problems

Vulnerable and disadvantaged have access to justice

Fulfilling the Attlee vision of justice for all by targeting legal aid on those that need it helping people to solve their problems, working with others to prevent and reverse the spiral of social exclusion

Helping improve public services

Civil and family courts and legal aid working in partnership with others (councils, GPs, hospitals, schools) - to provide better service and avoiding unnecessary litigation





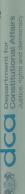
Quicker and cheaper dispute resolution

More choice

More choice and better quality advice from range of sources with better regulation of lawyers

 People resolving their disputes earlier More accessible advice and mediation so people can get their problems (e.g. divorce, debt, housing issues) sorted more quickly for less money and away from confrontation of court or tribunal





Constitutional reform

responsibilities, more effective justice and greater A modern approach, clearer distinction of public confidence

Reforming the office of Lord Chancellor

Creating a UK Supreme Court

Judicial Appointments Commission

Conclusion

- · Reform for a purpose
- Focussing on people's priorities (crime, ASB, asylum, civil and family justice)
- abiding public before the interests of the Always putting the needs of the lawprovider

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CABINET

CONCLUSIONS of a Meeting of the Cabinet held at 10 Downing Street on

> THURSDAY 02 DECEMBER 2004 at 9.30 am

> > PRESENT

on Tony Blair MP Minister Minister

The Rt Hon Gordon Brown MP Chancellor of the Exchequer

The Rt Hon David Blunkett MP Secretary of State for the Home Department

The Rt Hon Dr John Reid MP Secretary of State for Health

The Rt Hon Paul Murphy MP Secretary of State for Northern Ireland

The Rt Hon Tessa Jowell MP Secretary of State for Culture, Media and Sport

The Rt Hon Charles Clarke MP Secretary of State for Education and Skills The Rt Hon Jack Straw MP cretary of State for Foreign and Commonwealth

The Rt Hon Margaret Beckett MP Secretary of State for the Environment, Food and Rural Affairs

The Rt Hon Alan Milburn MP Chancellor of the Duchy of Lancaster

The Rt Hon Patricia Howitt MP Secretary of State for Trade and Industry

The Rt Hon Hilary Armstrong Chief Whip (House of Common

The Rt Hon Paul Boateng MP Chief Secretary to the Treasury

The Rt Hon Peter Hain MP The Rt Hon Ian McCartney MP esder of the House of Commons, Lord Privy Seal

Minister without Portfolio

Secretary of State for Wales

The Ration Baroness Amos leader of the House of Lords and Lord President of

The Rt Hon Lord Falconer of Thoroton QC Secretary of State for Constitutional Affairs and Lord Chancellor

The Rt Hon Alan Johnson MP Secretary State of Work and Pensions

ALSO PRESENT

The Rt Hon The Lord Grocott Chief Whip (House of Lords)

e Rt Hon The Lord Goldsmith QC Attorney General

SECRETARIAT

Andrew Turnbull Mr K Darroch Sir Nigel Sheinwald

Ms Maldre Mr R Fellg

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PARCIAMENTARY BUSINESS

 The Cabinet were informed of the business to be taken in the House of Commons in the week beginning 6 December, and of the provisional business up to Tuesday 21 December when the House would rise for the Christmas Recess.

CURRENTEVENTS

2. The Cabinet were informed of the main issues affecting the conduct of the Government in the week beginning Monday 6 December.

Pre-Budget Report

THE CHANCELLOR OF THE EXCHEQUER outlined aspects of his Pre-Budget Report (PBR) Statement.

Starting with prospects for the economy, he said growth in the current year was expected to be more balanced and at 3½ percent would meet his earlier forecast. Claimant unemployment was 2.7 percent and inflation; 2 percent. While growth in the euro area had slowed, there were uncertainties about the United States of America (USA), and despite the increase in oil and steel prices, he expected domestic investment to increase web 3½ percent and world and UK trade to grow by more than 6 percent positing in a growth forecast for 2005 of 3 to 3½ percent. This was significantly higher than the average of outside forecasters but in line with growth orecasts for the Group of 7. It was expected to be lower in 2006. The combination of low inflation, low unemployment and rising living standards was the best for decades.

Building on a platform of stability, the UK faced challenges such as the transfer of manufacturing jobs to Asia and an ageing population. It was essential to do more to assist the growth in high tech and high valueadded activity. He would therefore announce: a re-examination of the research and development (R&D) credit for mid-sized science based companies; removing tax barriers to the formation of university spin-off companies; piloting a matched funding scheme to help build up university resources through new endowments; establishing an industryled forum chaired by Sir Tom McKillop to benchmark progress in raising R&D; and the promotion by the northern Regional Development Agency (RDA) of 'science cities'. To assist growth in trade with Asia he would expand the role of the China/UK and India/UK financial dialogues. Measures to help small businesses would include tax relief for the renovation of empty business premises in enterprise areas, aligning the tax treatment of leasing with other forms of business finance and tailored coaching and support from RDAs in every region.

At a time when there were 600,000 notified vacancies, he had appear

with the Secretary of State for Work and Pensions: extending to 250,000 lone parents the offer of a £40 a week work credit; extending to a third of the country the £40m a week return to work credit allied to rehabilitation help for incapacity benefit claimants; allocating £30 million to expand the new deal for disabled people; and that the national employment panel, working with the ethnic minority business forum, should report by the Budget on measures to reduce the high rate of unemployment among ethnic minorities, which was three times the rate for the population at

Ione pareins.
the country the £40.
help for incapacity benefits.
the new deal for disabled people; as working with the ethnic minority business.
Budget on measures to reduce the high rate of time.
ethnic minorities, which was three times the rate for the period of the context of the environmental theme of the UK's Group of 8
Presidency, he had agreed with the Secretary of State for the cayironment, Food and Rural Affairs a review of innovative technical denhance energy efficiency. As a first step, a £20 millional denhance energy efficiency are would not be able would be created, to be managed by the Carbo win crude oil prices, he would not be able would not be possible to go ahead with all pality and go ahead with the secretary of State for the carbo win crude oil prices, he would not be able would not be possible to go ahead with the secretary of State for the carbo win crude oil prices, he would not be able would not be possible to go ahead with the secretary of State for the carbo win crude oil prices, he would not be able would not be possible to go ahead with the secretary of State for the carbo win crude oil prices, he would not be able would not be possible to go ahead with the secretary of State for the carbo win crude oil prices, he would not be able would not be possible to go ahead with the secretary of State for the carbo win crude oil prices, he would not be able to the carbo with the secretary of State for the carbo win crude oil prices, he would not be able to the carbo with the secretary of State for the carbo win crude oil prices, he would not be able to the carbo with the secretary of State for the carbo with the secretary Environment, Food and Rural Affairs a review of innovative technologies that would enhance energy efficiency. As a first step, a £20 million development fund would be created, to be managed by the Carbon Trust. Because of the volatility in crude oil prices, he would not be able to raise the main fuel duties. While it would not be possible to go ahead with a lower duty for sulphur-free fuels, he would set a lower duty, by 20p, for bioethanol Thankle fraud and evasion, he would go ahead with the planned increase in the duty on rebated oils, but set it at 1p a litre rather than the expected 2 40

> To support savings be would announce a consultation on extending the Individual Savings Account limits until 2009 and proceed with the low cost savings and investment products recommended by the Sandler report. The savings gateway scheme would be extended to a wider range of income groups. Agreement had been reached with the banks on a scheme to tackle financial exclusion supported by £120 million of Government money. He would arrobe consulting on extending the child trust fund.

> He had agreed with the Secretaries of State for Education and Skills and Work and Pensions to roll out a national employer training programme funded by money reallocated by the Secretary of State for Education and Skills and funds released as a result of lower unemployment. Every adult who had missed out at school would, if released by their employer, be supported in acquiring skills to 'level2', equivalent to Treneral Certificate of Secondary Education.

As part of the ten-year child care strategy, he had agreed with the Secretary of State for Education and Skills to extend to 15 hours a week the offer of free nursery education for 3 and 4 year olds as a step towards

the long term goal of 20 hours. By 2010, in England, there would be 3,500 children's centres. He would announce further reform of the child care tax credit. Paid maternity leave would rise to 9 months as a step toward the goal of 12 months and it would be transferable between partners. In total, support for a working mother staving at home with her first baby would rise by 2007 by £5,000 in real terms compared to a decade earlier.

Council tax had been discussed in the Public Services and Expenditure Cabinet Committee and the Minister for Local and Regional Government would be making a statement that day on the local government revenue support grant settlement. The review of local government finance under Sir Michael Lyons would report the following year. The review would need to tackle the issue that the council tax provided too narrow a base to support-local authority spending. Meanwhile, in order to keep council tax rises below 5 percent in 2005 in England he had allocated an additional £125 million from the public expenditure reserve and departments had contributed £512 million through reallocations. There would be further help of £1/3 billion arising from the reduction in ring fencing and other obligations on local authorities. If these figures were added together they matched the £1 billion claimed by local authority leaders. He would also be announcing the payment of £50 to pensioners over 70, which on average should fund their council tax increase.

Turning to the fiscal position/he said that in addition to resources for local authorities he had been obliged to find from the public expenditure Reserve an additional £520 million for Iraq and £105 million for necessary security measures. However, while there were some problems with corporation tax receipts, strong frowth and rising employment meant that tax receipts from income tax and Value Added Tax were rising. Borrowing in 2003/04 had been £35 billion, less than the estimate of £37 billion. The cash figures for net borrowing for 2004/05 and future years were expected to be £34, 33, 29, 28, 24 and 22 billion. Debt was 34.2 percent of national income in the current year and expected to be 35.4, 36.2, 36.8, 37 and 37.15 in the years to 200 110, thus meeting the fiscal rule that debt should be below 40 percent of national income. The UK deficit was lower than that of it main competitors The other fiscal rule was to balance the current budget over the economie cycle. For the years to 2009/10 the current balance was expected to be \$13, -7, +1, +4, +9, +12 billion, thus meeting this rule too. The Government's public expenditure measures were thus affordable while meeting the fiscal rules.

Concluding, THE CHANCELLOR said the Government's approach was in marked contrast to that of the main Opposition party, which had promised to reduce public expenditure by £35 billion while also promising increases of £15 billion. It was not credible for it to claim £50 billion could be found by efficiencies; the implication was serious cuts in public services and the Government should make this clear. The Liberal Democrat Party had undertaken to freeze public spending at the percentage of national income it had represented the previous year, which was also not credible given their spokesmen's continuing promises to fund additional activities.

The following points were made in discussion:

- a. the additional resources for security and child trust funds were welcome. Credit unions could help achieve savings objectives. The inequality in employment opportunities faced by ethnic minorities was a major challenge and more might need to be done to tackle, for example, language barriers and access to working for women;
- b. The extra funding for the environment and innovation was also veryone. It remained important to get across the message that tackling environmental problems represented an opportunity. The SureStart programme and development of children's centres was a very important measure, which had for the first time engaged people in deprived areas who had not previously contributed to their communities;
- in setting out the Government's approach and the contrast with the main Opposition party, it would be helpful to provide concrete examples of what public services and what staff would need to be cut under the Opposition plans;
- d. funding for skills and childcare was very welcome. The Government's approach to both compended a consensus across the country. This did, indeed, need to be contrasted with the approach of the main Opposition parts, who appeared to be proposing real terms cuts in potraceas;
- e. it would be helpful to know what the net cost of additional

public expenditure measures in the PBR was in 2005/06 and later years, especially in view of the difficulties departments had faced as a result of being asked to fund additional grant for local authorities. If extra resources were available, it was not clear why departments had been asked to find such large savings;

- in announcing the £50 for older pensioners, care would need to be taken over the contrast with the higher figure announced the previous year:
- the infrastructure provided by the Jobcentre Plus network was essential to support the planned extension to "Pathways to Work" for people on incapacity benefit in the 30 worst local authority areas, and to support the new measures for lone parents. The main Opposition party was committed to privatising this infrastructure, and to making 100,000 job reductions in the Department for Work and Pensions;
 - the emphasis on childcare and family-friendly working was a very important strand of Government policy. It would be helpful to clarify if additional funds were being provided for financial inclusion and how this had been prioritised compared to other departmental activities;
 - the emphasis on improving skills especially for the low skilled was very important;
 - the planned increase in resources for local authorities j. could not be provided every year. There were also questions about the consequential effect for Scotland, Wales and Northern Ireland.

Responding, THE CHANCELLOR OF THE EXCHEQUER said that, in his view, only the £125 million provided from the Reserve should have a consequential effect on resources for Scotland, Water and Northern Ireland under the "Barnett" formula. However, he would be prepared to discuss this further with colleagues. The funding for fundicial inclusion was provided as part of the spending review and there was no additional money in the PBR. The banks, had however, only just agreed to play their part. More generally, the net increases in spending in the PSF

related primarily to the years 2006/07 through 2008/09 whereas the key problem with the Reserve was in 2005/06 and the need to reduce council tax also related to that year. He would circulate to colleagues the figure for the net additional public expenditure in 2005/06 which he was to announce in his Statement.

Continuing, THE CHANCELLOR said that the fiscal position would also improve with other measures to tackle abuse in the tax and national insurance system. He agreed about the importance of child trust funds and the need to emphasise the opportunities for innovation represented by tackling environmental problems. The SureStart programme was a clear dividing line between the Government's approach and that of the main Opposition party.

Summing up, THE PRIME MINISTER thanked the Chancellor for an excellent exposition. The key themes were stability, preparing for the future, childcare, savings and skills.

The Cab

Took note.

FOREIGN AFFAIRS

Ukraine

THE FOREIGN COMMONWEALTH SECRETARY said that the position in Ukrame was now looking better than we had feared.

The Supreme Court had been purping for a deal on the way ahead before reaching a view. The united position of the European Union and the USA had been a key element, and Mr Solana, the European Union High Representative for the Common Foreign and Security Policy, had done well.

Israel/Palestine

THE FOREIGN AND COMMONWEALTH SECRETARY said that the coalition of the Israeli Prime Minister, Mr Sharon, was disintegrating. He would like a full discussion of the Middle Fast Peace Process at a future meeting.

United Nations

Previous Reference:

CC(04)28.3

THE FOREIGN AND COMMONWEALTH SECRETARY said that the report of the high-level panel would be published that day He would circulate a note. Proposals for United Nations' action before latent threats became imminent" would have allowed earlier action of Irac There were also two sets of proposals for reform of the Security Jouncil. MENT IS THE PROPERTY OF HER BRITANNIC MAJESTY'S GOVERNMENT

CABINET

CONCLUSIONS of a Meeting of the Cabinet held at 10 Downing Street on

THURSDAY 09 DECEMBER 2004 at 9.30 am

PRESENT

The Histor Tony Blair MP Prime Minister

The Rt Hon John Prescott MP
Deputy Prime Minister and First Secretary of State

The Rt Hon David Blunkett MP Secretary of State for the Home Department

The Rt Hon Alistair Darling MP
Secretary of State for Transport and Secretary of
State for Scotland

The Rt Hon Alan Milburn MP Chancellor of the Duchy of Lancaster

The Rt Hon Geoff Hoon MP Secretary of State for Defence

The Rt Hon Tessa Jowell MP
Secretary of State for Culture, Media and Sport

The Rt Hon Gordon Brown MP Chancellor of the Exchequer

The Kiffon Margaret Beckett MP
Secretary of State for the Environment, Food and
Rural Atkares

The Rt Hon Or John Reid MP Secretary of State for Health

The Rt Hon Paul Murphy of S/S for Northern Ireland

The Rt Hon Patricia Hewitt Mit Secretary of State for Trade and Indus

The Rt Hon Hilary Armstrong MP Chief Whip (House of Commons)

CONFIDENTIAL

CONFIDENTIAL Re Rt Hon Charles Clarke MP

on Peter Hain MP

etary of State for Education and Skills Leader of the House of Commons, Lord Privy Seal and Secretary of State for Wales

Man McCartney MP Minister Without Portfolio

The Rt Hon Baroness Amos Leader of the House of Lords and Lord President of the Council

The Rt Hon Local Engoner of Thoroton QC Secretary of State of Constitutional Affairs and Lord Chancellor

The Rt Hon Hilary Benn MP Secretary of State for International Development

The Rt Hon Alan Johnson MP Secretary State of Work and Pensions

ALSO PRESENT

The Rt Hon The Lord Grocott Thief Whip (House of Lords)

RETARIAT

Sir Andrew Turnbull Sir Nigel Sheinwald Mr P Bruton Mr R Fellge Ms M Aldred

> CONTENTS Subject

ARLIAMENTARY BUSINESS Parliamentary Modernisation

CURRENT EVENTS

Sales of Alcohol to Young People Broadcasting in a Digital World Delivery Ministerial Cars

Northern Ireland

CONFIDENTIAL

PARTAMENTARY

 The Cabinet were informed of the business to be taken in the House of Commons in the week beginning Monday 13 December and on 20 and 21 December; and of the provisional business for the week beginning Monday 10 January 2005.

In the House of Lords the Government had suffered two defeats on the Constitutional Reform Bill. The effect was to require that the office of Lord Chancellor should continue and that its holder should be both a peer and a lawyer. THE SECRETARY OF STATE FOR

CONSTITUTIONAL AFFAIRS said that the arguments used in the Lords to justify these amendments to the Bill had been weak and showed how out of touch their proponents were. However, despite the Lords' obstructiveness, the Department for Constitutional Affairs continued to make real progress in modernising the administration and improving the efficiences of the courts.

Parliamentary Modernisation THE LEADER OF THE HOUSE OF COMMONS AND SECRETARY OF STATE FOR WALES drew the Cabinet's attention to a meeting on 14 December of the Ministerial Committee on the Government's response to Patanaceutary modernisation (MISC 21) which would discuss the Modernisation committee's forthcoming proposals on sitting hours in the House of Commons. These were likely to be debated in the Commons during January 2005. This was an issue of interest to many colleagues and all members of the Cabinet were welcome to attend the MISC 21 meeting whether or not they were members of the Committee.

CURRENT EVENTS

2. The Cabinet were informed of the main issues affecting the conduct of the Government in the week beginning Monday 13 December.

Sales of Alcohol to Young People

THE HOME SECRETARY said the atmough the Government had taken action to tackle under-age drinking, including stricter enforcement of the law against selling alcohol to young people, more needed to be done. He proposed later that day to float publicly the idea of extending the powers in the Licensing Act 2003 for the police to close premises where disorderly or excessively noisy behaviour occurrence as as to allow the police also to close an outlet where alcohol was fersistently sold to those under 18. The Government should consult about this with a view to legislating on it.

The following points were made in a brief discussion:

a. such a closure order would be limited to 24 ho

could be extended on application to a court, giving the licensee the opportunity to argue his case;

- b. for consistency, such a power would need to apply not just to public houses and clubs, but also to off-licences and supermarkets selling alcohol:
- it was not clear that there was a legislative vehicle in the present Parliamentary session in which to make this change. The House authorities had ruled it out of scope of the Serious Organised Crime and Police Bill.

Summing up the discussion, THE PRIME MINISTER said that the Cabinet had agreed that the Home Secretary should announce and consult publicly on this proposal. The main aim was to send a clear signal that the Government was determined to deal with the problem of under-age drinking the question of a suitable legislative vehicle would need to be considered further.

1. Took note

Broadcasting in a Digital

THE SECRETARY OF STATE FOR CULTURE, MEDIA AND SPORT gave a presentation (attached). She recalled the Manifesto commitment to switch from analogue to digital broadcasting as soon as the conditions, for cost and access, were met. This was a joint project between her department and the Department for rade and Industry (DTI). It overlapped with the review of the Bertish Broadcasting Corporation's (BBC) Charter. The new charter needed to be in place by 1 January

There was a rapid change in broadcasting, exemplified for example by the popularity of digital television and the fact 200,000 Freeview boxes were sold each month, with 120,000 in just the previous week in the run up to Christmas. The UK had a much higher penetration of digital television than other European countries, all of which were planning a similar switch. This could not however be left to the thatket as less advantaged groups in society would be left behind whereas all wanted access. There were economic benefits in freeing up spectrum for broadcasting and other uses and in greater competition between satellite, cable and terrestrial operators. To secure these benefits the Coveragent

needed to act to switch-off analogue terrestrial broadcasting so as to deliver digital terrestrial broadcasting for virtually the whole population.

It was a major project. There were some tough challenges to face, including the risk the public mood would change in reaction to Government compulsion and the need to adapt the second and subsequent television sets that most households now had. Help would be needed for the vulnerable and elderly. To meet these challenges action included ensuring the process of switchover would be delivered at arms length from Government and paid for by broadcasters, mainly through the ligence fee. A communications campaign would be needed to ensure each viewer was fully informed and the changeover would be phased in region by region, starting in 2007-08 and completed by 2012. The Government would need to confirm the timetable in summer 2005. Strong project management would be needed by the industry.

The BBC would lead and largely fund the digital switchover which would be a key element of the new charter. Consultation on the charter had taken placed bran unprecedented scale and the response was very good. An independent panel chaired by Lord Burns was also making a valuable contribution. The public response showed that people liked the BBC, which had a porteputation for accuracy, trustworthiness and upholding social values but there was scope for improvement. This accorded with the findings of the linked review by the Office of Communications (Ofcorn) which concluded that people valued public service broadcasting and the should remain the cornerstone of such television. Furthermore, commercial broadcasters' contribution to public service broadcasting was likely to diminish in the future.

Nevertheless, there were a number of exerging issues many of which had arisen in previous charter reviews. The consensus was for the BBC to be more distinctive and to inform, educate and entertain while sustaining citizenship and promoting education and learning. BBC channels were major commissioners of new cultural work. While the scale and the range of the BBC's activities was therefore about right it needed to focus more on the public service requirement and on adduracy in reporting. Production also needed to be shifted to the regions, as the Director General had recently announced. The Green Paper had be written and would be cleared with colleagues in the normal way, but the likely outcome was that the licence fee would remain the best way to pay for the BBC for the next 10 years. Government funding had been ruled out. Beyond 2016 however other models would be necessary and funding



would therefore be reviewed again in 2012.

Changes were evidently needed to the governance and accountability of the BBC. The BBC had proposed retaining a single board of governors, but with "behavioural change" to make the governors more independent and to emphasise transparency and accountability. Alternatively, the proposal from Lord Burns's panel was for a regulatory commission which would be separate from a BBC Strategy Board. The option of external regulation now had no support.

Concluding, THE SECRETARY OF STATE FOR CULTURE, MEDIA AND SPORT said the key themes were therefore universal access to smore choice and higher quality; a dynamic, competitive market and a strong creative economy; and public service broadcasting strengthened for the multi-channelled world. In this context, there needed to be a strong and independent BBC with a new charter.

The following points were made in discussion:

- the linked issues of the switchover and charter review were being very well managed;
- discussion of the BBC's future and charter needed to respect resource constraints. Income from the licence fee would increase 60 percent by 2006 compared to 1997, driven in part of rising number of the households, but more particularly by the formula for increasing the fee by more than the rate of general price inflation which could not continue. Together with real terms increases for other utilities this contributed to inflation. There therefore needed to be a clear framework based on an assessment of what the public could reasonably pay through the licence fee, as well as clarity that the tax-payer could not contribute to funding the digital switchover;
- if resources were limited, thought had to be given to what f. the BBC should not do. It was not clear for example, that it needed to run a 24 hour news service which simply matched commercial offerings rather than continuing to focus on strengths such as drama;
- while respecting the independence of the BBC

was the licence fee was akin to a tax and there was therefore arguably a role for Government in querying duplication between the BBC and commercial offers. For example, it was also not clear that the BBC needed to offer more regional news programmes when these were also readily available from commercial channels;

- it was helpful that industry was tied into supporting the switchover and that better information was now available to consumers, for example through a logo showing which televisions were digital;
- there was a concern that the quality of the BBC's news output was not sufficient to justify the cost, and that certain flagship programmes pursued their own agenda;

there was an option to use part of the proceeds from selling the spectrum to help fund the switchover;

- k. The regional presence of broadcasters was very important, and there was a risk that by concentrating production in Manchoster which was effectively a second national centre—siber regional centres would suffer. This would not be acceptable;
- the BBC, unless the independent broadcasters, was not a
 major provider of regional programming. There was a
 threat to regional programming provided by the latter as
 the value of their spectrum fell and the BBC should not
 further undermine their position. If the Ofcom proposal
 for a Public Service Publisher went ahead, the resources
 should be spent on independent programming, not on
 more bureaucraey;
- m. education was central to the purpose of a public service broadcaster. It would be helpful to see from the BBC an enhanced commitment to education, a stategy to provide educational material across the full range of yeg groups, to use mainstream programmes for this purpose. To form long-term partnerships and to enhance accountability;
- n. it might be possible to charge for "extras" such as inter-

active services and for the BBC also further to increase income from its marketing activities;

- more account needed to be taken of the impact on the independent sector, including regional production;
- clarity was needed about who would pay to switch-over services to the final, and most reluctant viewers; and
- the BBC World Service was important and respected, q. including the radio service which was widely listened to in developing countries. Conversely, the BBC needed to be better at showing UK viewers what was going on in the developing world.

Responding, THE SECRETARY OF STATE FOR CULTURE, MEDIA AND SPORT confirmed in response to a question that following the switchover digital television vision would cover the same proportion of the population as apalogue. The Government had been absolutely clear no public morey was available so, for example, broadcasters and not the Government would pay for advice for the elderly and vulnerable. Ofcom had found that the public were prepared to pay, and indeed pay more, for a licence fee. Decisions would be needed later on whether to auction more of the spectrum, whose value was difficult to calculate but might be of the order of £2.3 billion not present value.

Summing up, THE PRIME MIXER said the Secretary of State was taking the right approach in retaining flexibility and keeping options open on the long-term future for the licence fee. In about two years time difficult decisions would be needed on the digital switchover, for which the support of industry would be necessary. Four overlapping issues needed to be taken into account. First, the BBC was held in high esteem and had to be independent but also had to change. Second, there was a question about the licence fee which was equivalent to a tax. Third, the switchover needed to be completed and this required the BBC to lead and support. Finally, technology was evolving rapidly and the costs to consumers could fall markedly.

The Cabinet -

2. Took note.

MR MICHAEL BARBER, head of the Delivery Unit, gave a presentation (attached) providing a progress report on delivery of public services and drawing lessons for the future. He drew attention to four examples of successful delivery to illustrate the progress which the Government had made. First, the Government was on course to meet the target for patients to wait no more than 6 months for elective surgery. Independent commentators had recognised the fact that the reduction in waiting times had resulted not just from increased resources but more importantly from reform to provide more choice for patients and greater competition amongst providers. Second, clearer accountability and incentives and effective performance management would ensure that the target for patients to spend no more than 4 hours in accident and emergency departments would be met. Third, performance in secondary schools in five of the most deprived London Boroughs had risen much faster than the national average since 1997. A succession of programmes had contributed to this achievement, establishing strong leadership, providing tailored support to each school and introducing contestability through City Academics and intervention in failing Local Education Authorities. Fourth, in the criminal justice system the number of offences brought to justice had risen steadily since 2001, the number of ineffective trials in the Crown Court had fallen sharply in the previous 18 months and the proportion of fines extended had risen markedly over the same period. The key to these improvements had been greater prioritisation and close cooperation both between departments and the criminal justice agencies.

Other highlights of the Government's drive to improve delivery had been the recent improvement in rail purcuality which, that autumn, had returned to pre-Hatfield levels, the sharp fall in the percentage of households and adults who had been the victims of crime and the rise in the percentage of 11 year olds achieving Key Stage 2 level 4 or above in English and mathematics.

Concluding, MR BARBER said that on many key delivery issues performance was ahead of 1997 and continued to improve. The percentage of targets performance against which was judged to be "red" had fallen from 53 to 17 over the previous year. Despite this impressive progress, in many areas the improvement had been from a very low base and performance was uneven across the country. Moreover the public's expectations were increasing. Future progress would need to be made against a background of slower growth in public expenditure than had been possible since 1999. Nevertheless, the Government hacklearned during the present Parliament how to drive up performance in public

services. This required the right mindset in Ministers, senior officials and senior managers in the services concerned, effective performance management and, above all, reform centred on choice for the citizen, contestability and responsiveness to the needs of the community.

The Cabinet -

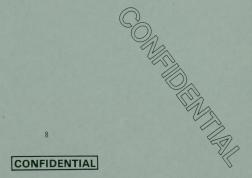
3. Took note.

THE SECRETARY OF STATE FOR TRADE AND INDUSTRY said that the choice of cars available to Ministers was very narrow and did not include the best British-built vehicles. It would be helpful if, without reducing value-for-money, the Cabinet Secretary could consider whether a wider choice might be given and would put proposals to the Cabinet.

THE PRIME MINISTER said that the recent talks on Northern Ireland Northern Ireland with Manager, the Irish Prime Minister, had agreed on everything except the arrangements for transparency. He felt that it would be Previous Reference possible to prove forward in a reasonably positive way in the next few weeks.

> THE NORTHERN RELAND SECRETARY said that he too was optimistic. He was grateful to the Prime Minister and other colleagues who had been working behind the scenes to achieve agreement. Jonathan Powell, the Prime Minister Chief of Staff, and other officials in both governments had worked his toppers. The Prime Minister and Mr. Ahern had agreed to publish the text of the document to show how much had been agreed, which was much prore than we would have dreamt possible a couple of years ago. We should bank that and return to the small gap that remained over the comproweeks. A series of meetings between representatives of the two governments was already planned.

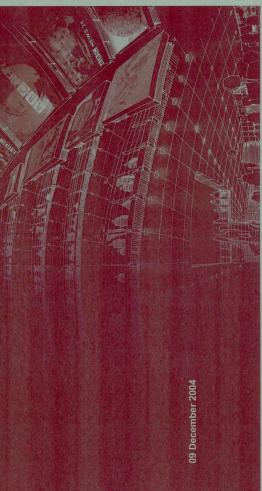
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Broadcasting In The Digital World



Presentation to Cabinet



The purpose of today's presentation



- TV going digital: the Government's role
- The BBC: Charter Review

Pace of change in broadcasting

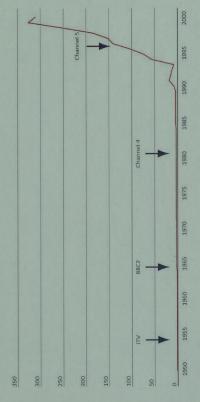


- No. of TV channels: 4 to 450 in 16 years
- Take-up of digital TV: 0 to 55% of households in 6 years
- Satellite 7.5 million households; cable 2.5 m; DTT 4m
- 200,000 Freeview boxes sold each month
- Subscription income exceeds licence fee or advertising

Pace of change in broadcasting



The growth in television channels in the UK, 1950-2002



Source: DGA; Ofcom

Digital switchover - why go digital?



UK has the highest rate of digital take-up in Europe

Benefits for the public

- UNIVERSAL ACCESS to free-to-air digital TV
- HIGH QUALITY more channels and interactivity
- MAXIMUM CHOICE between satellite, cable, terrestrial
- AFFORDABILITY terrestrial usually cheapest

Benefits for the wider economy

- ECONOMIC BENEFIT free up spectrum for broadcasting or other uses
- COMPETITION between satellite, cable and terrestrial operators

What does switchover involve?



To secure these benefits, the Government must act to switch off analogue terrestrial:

-	Present reach	OSO
Digital Satellite	up to 95%	up to 95%
Digital Cable	37%	51%
Digital Terrestrial	80%	+%5'86

If we do nothing, there won't be universal access to digital choice.

This is a project of real scale



Decimalisation...
North Sea gas conversion...
Unleaded petrol...

... Digital Switchover

We face some tough challenges....



- Some reluctant adopters (6% say never)
- People resent Government compulsion in matters of household choice
- Need to convert 2nd and subsequent TV sets
- Help for the vulnerable and elderly
- Scale and technical complexity of the project
- Balancing competing commercial interests

Meeting the challenges



Principles

- Delivered at arm's length from Government 'Switchco'
- Led by industry broadcasters, platform operators, manufacturers, retailers
- Paid for by broadcasters, mainly through licence fee

Action

- Campaign under way to ensure each viewer fully informed
- Phased introduction:
- region by region;
- within each region, BBC2 goes first
- Provide help to the vulnerable
- Establish robust management structure and watertight plan

How and when?



- 4 year process
- Region by Region
- Likely timetable: start 2007/8 complete 2012
- Welsh pilot: 2 villages to be switched by Spring 2005
- Govt to confirm timetable in Summer 2005

The viewer experience



- Switch to be phased in over several weeks to minimise disruption to viewing
- Minimum cost of a set-top box: £40 and falling (1 needed per TV or VCR)
- Around 10% will also need an aerial upgrade: £80-120
- Help schemes to be targeted on over 75s and the disabled:
- free installation service;
- equipment for some

Digital switchover - summary



- Needs to happen to provide universal choice
- We are clear about the costs and who pays
- The date for completion is 2012
- There are clear risks, but we are able to manage them

The BBC in a digital World



- BBC will lead and largely fund digital switchover
- Key element in new Charter, which has to be in place by end 2006
- New Charter must define BBC for the digital future
- We have started the review with public consultation on an unprecedented scale

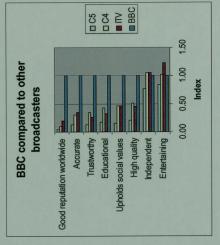
What the public said



People like the BBC – 75% satisfaction rating for TV, radio and online services

But scope for improvement:

- 34% believe it offers poor value for money
- One third say programmes getting worse
- Establishment image
- Anger at difficulty in getting BBC digital channels free to



What the public said



'The BBC has acquired a reputation for excellence in public service been described as the 'cornerstone' of public service broadcasting; broadcasting throughout the world. In the United Kingdom it has the standard by which other broadcasters are assessed."

"The radio, especially BBC Radio 4, is the backdrop to my life, my constant companion and my connection to the world beyond my immediate community."

Production being located in London, the most expensive area in the "I do not believe the BBC represents the whole of the country." country, does not represent 'Best Value'."

"Its like the government run the TV. Everything is all proper."



The public and Ofcom agree:

The BBC should remain the cornerstone of public service TV broadcasting

We agree, because:

- The BBC retains widespread public support; and
- In future, commercial broadcasters' contribution to PSB will
- Value of PSB licences for ITV and Five much smaller
- C4 will find it tough to balance PSB and commercial priorities

Emerging issues for Charter Review



- BBC should be more distinctive
- Size, scope and a stronger regional role
- Funding
- Governance and accountability

What do we want the BBC to do? A new expression of purpose



"Inform, educate and entertain" achieved by:

- Sustaining citizenship
- Promoting education and learning
- Stimulating creativity and cultural excellence
- Reflecting the diversity of the nation
- Bringing the world to the UK and the UK to the world

nation and across the world. I value its authority and its ability to speak to and recognise as important even if they are not of particular interest to me. I value "I value the coverage that the BBC provides, its applicability to the life of the for others. I value diligence in the research and treatment of issues which its store of knowledge and information in this information-led world*

Consultation response - South East Older People's Advisory Group

How big and wide-ranging should the BBC be?



The BBC needs scale to satisfy public demand for:

- The current range of TV, radio and online services
- sport and entertainment as well as news and factual
- services beyond TV: 69% of Year 11 students use 'Bitesize'
- Innovation
- Commercial activities to complement licence fee
- Regional production
- Excellence in standards

But it also needs to balance:

- In-house vs external programme-making
- London vs regional production

How should we pay for the BBC?



4 main options for future

- Licence Fee
- Advertising
- Subscription
- Government funding

Likely outcome

Spend on content £2.4 billion

BBC current budget nearly £3.7

- £220 m Grant-in-Aid for World Service £650 m from commercial businesses £2.8 billion from 24m licence fees (including £400m from DWP)
- Licence fee remains the best, and best supported, way to pay for the BBC – for the next ten years
- Beyond 2016 other models merit consideration
- For review at point of switchover, in 2012 to allow forward planning

Governance and accountability



By common consent, the present system is unsustainable:

- Lack of transparency
- Governors face conflict between BBC interest and public interest
- No accountability to public
- Inward-facing

Emerging alternatives



BBC's response – Building public value

Retains single board of Governors

But with 'behavioural change':

 to make the Governors more independent, eg through 'Governance Unit'

 to emphasise transparency and accountability, eg through 'service licences'

Structural separation of roles within the BBC:

Regulatory 'Commission' – would represent licence fee payers and the public interest

Strategy Board (including some non-execs) to oversee the management of the BBC and its delivery of services

Or: external regulation – through Ofcom or a new body

Our offer to the public



- Universal access to more choice and higher quality
- A dynamic, competitive market and a strong creative economy
- PSB strengthened for the multi-channel world
- A strong and independent BBC with a new Charter delivering:
- A clearer remit
- Focus on PSB purposes
- Continuation of the licence fee with scope for future review
- Clearer separation of governance and regulation
- Direct accountability to the public

Annex: The other major issue in broadcasting



- The digital revolution threatens the business models of commercial public service broadcasters.
- If we want to maintain a plurality of providers, we will need to consider:
- The sustainability of regional programming on ITV
- The future of C4
- The idea of a new entrant a PSP

Annex: Going Digital: The story so far



2005? Government announces "when and how" 2002 Joint Govt/industry Digital TV Action Plan launched July 2003 Communications Act gives power to set 1999 Govt states that switchover possible between 2006 and 2010. 1996 Broadcasting act requires Govt, BBC and ITC to keep the prospects 1995 Govt sets out principle of switchover, in the interests of spectrum efficiency switchover timetable. keep the prospects for switchover under review H 100 2001 manifesto m B

REPORT AND LESSONS FOR **DELIVERY: PROGRESS** THE FUTURE

Presentation to Cabinet: Handout Prime Minister's Delivery Unit Michael Barber

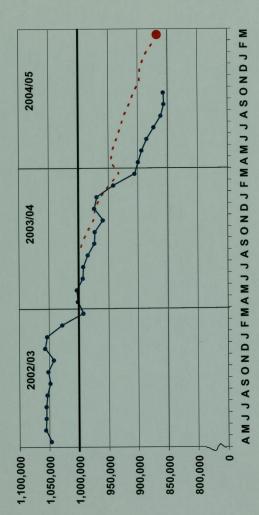
9 December 2004

AGENDA

- Four stories
- A summary of progress
- Lessons for the future

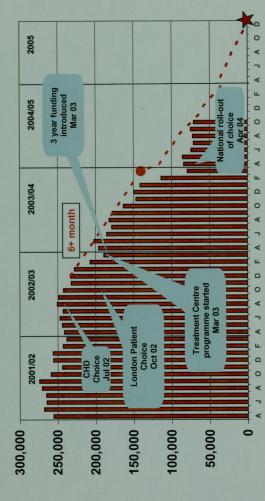
The waiting is (almost) over: how waiting times have been reduced

Total inpatient list (provider-based)



Source: Department of Health

Inpatient waiters



Source: Department of Health

Independent analysis confirms this

- "The 2005 waiting times target has only become remotely attainable because of new programmes ...
- cataracts and hip replacements. Reform succeeded where "Greater competition also reduced waiting times for funding failed".
- "Within the UK, reform has shown very positive results where it has been tried".

Professor Nick Bosanquet, Imperial College, December 2004

Waiting times reduction: the messages are clear ...

1. Maintain consistent priority, establish annual milestones

top priority for successive secretaries of state high profile annual milestones for every trust

2. Introduce choice and contestability

- choice at 6 months incentivised urgent action
- contestability focused minds and broke cartels

3. Build capacity and encourage long-term planning

- serious, sustained investment
 - 3 year funding for PCTs

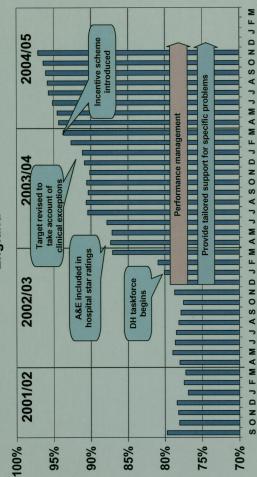
4. Manage performance

- clear, public accountability (the star ratings)
- analyse detailed data and act (e.g. orthopaedics)

Just in time: how the A&E 4 hour target was hit

management will ensure the max 4 hour A&E target is hit Accountability, incentives and effective performance

A&E attenders spending no more than 4 hours in A&E, England



Source: Department of Health

lan: "... but people spend at least 5 hours in A&E."

Jane: "It's a lot better nowadays."

26.11.04

A&E: the messages are clear ...

1. Introduce sharp accountability and the right incentives

- a demanding target
- accountability for results and financial incentives focus minds

2. Engage the delivery chain

- remove the excuses
- motivate the frontline

3. Provide tailored support for specific problems

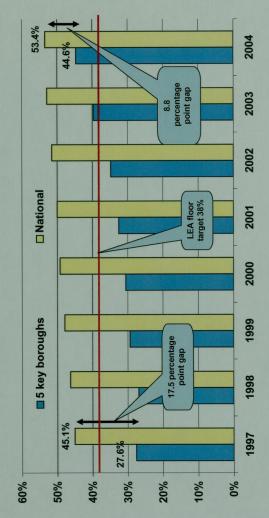
- segment the problem
- refined support provided by credible experts

4. Performance manage to the very end

- real-time data, promptly acted upon, is vital
 - play to the final whistle

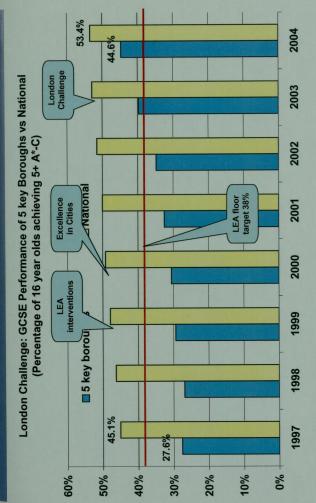
Secondary schools in the capital: reducing the angst of the inner London parent

London Challenge: GCSE Performance of 5 key Boroughs vs National (Percentage of 16 year olds achieving 5+ A*-C)



Source: Department for Education and Skills

A succession of programmes has been required



London Secondary Schools: the messages are clear ...

1. Establish strong leadership

- dedicated Minister for London schools
- excellent leadership from lead professional and official

2. Ensure continuing focus and prioritisation

- excellent use of data to identify problem schools and LEAs
 - never give up

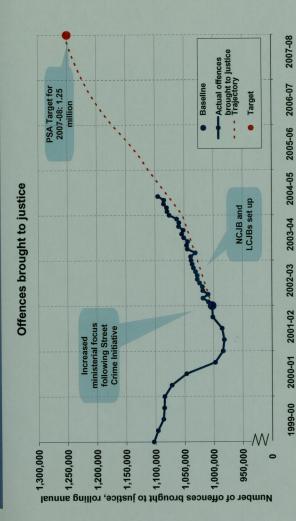
3. Combine tailored support and transparent accountability

- credible advisers working with each school over a sustained period
 - published data against challenging floor targets

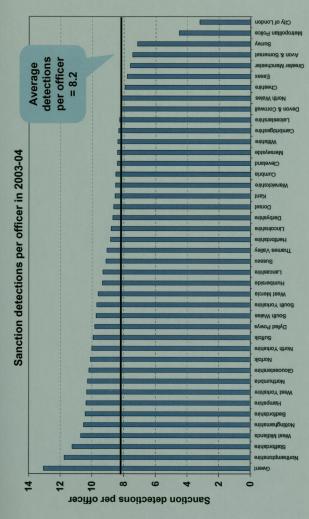
4. Introduce contestability

- 3 successful interventions in failing LEAs
 - 60 Academies in London by 2010

Restoring integrity: the CJS comes back from the brink

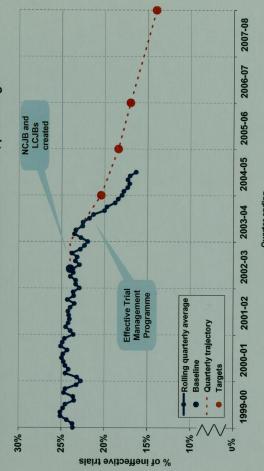


Source: OCJR

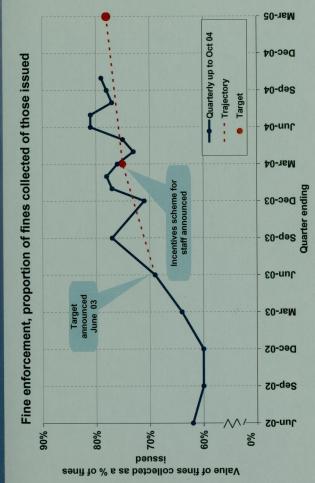


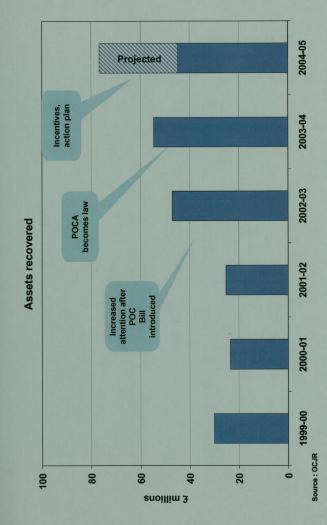
Source: Home Office. Note: for 42 forces only.

Ineffective trials in Crown Court cases, percentage



Quarter ending





CJS: the messages are clear ...

1. Create focus and prioritisation

- new sense of urgency following Street Crime Initiative
- attention focused on the 13 most challenging CJS areas

2. Ensure inter-departmental collaboration

- strong alignment across government
- ministers and officials working well together to tackle a common problem

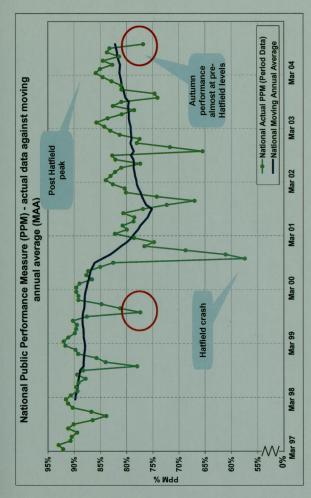
3. Build delivery chain

- NCJB and LCJBs have evolved successfully
- establish shared responsibility and clear accountability at each level

4. Drive up performance

- monthly data acted upon by OCJR
- incentivisation of frontline has begun

Selected highlights from other key indicators



Source: Department for Transport

Date	Trends in percentage of households/adults who were victims once or more (prevalence risks)
1981	27.7
1991	34.9
1995	39.7
1997	34.6
1999	31.1
2001-02	27.5
2002-03	27.0
2003-04	25.7

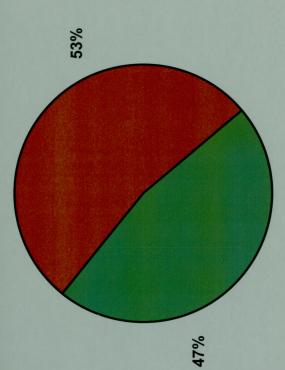
Percentage of 11 year olds achieving Key Stage 2 Level 4 or above in **English and Maths**

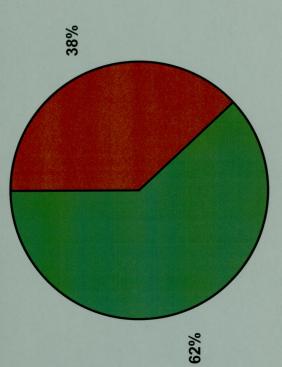


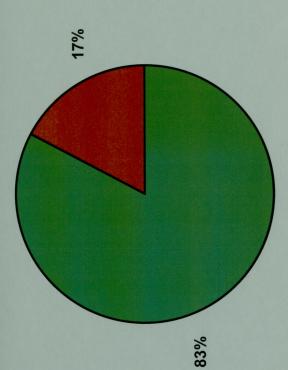
Summary and lessons learned

On many key issues performance is ahead of 1997 and moving in a positive direction

The Prime DELIN	The Prime Minister's December 2004 UNIT	Ahead of 1997?	Current
DfES	GCSE Attainment at 16		Positive
DfES	Key Stage 2		Positive
DfES	Key Stage 3		Positive
DfES	London Challenge Secondary Education		Positive
DfES	Pupil attendance (was pupil inclusion truancy and attendance)		Flat
DfT	Improve rail services	×	Positive
DfT	Reduce congestion	×	Positive
DoH	A&E waiting		Positive
РоН	Booking and Choice	,	Flat
РоН	Drug Treatment	,	Positive
DoH	Inpatient and Outpatient waiting	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Positive
ПоН	Primary Care Access	,	Positive
DoH	Reduce mortality from heart disease and cancer	^	Positive
오	Ensure effective asylum process	,	Flat
오	Improve delivery of justice	11	Positive
유	Improve Police Force performance		Positive
오	Improve public confidence in the CJS	•	Positive
오	Reduce availability and abuse of dangerous drugs	×	Positive
오	Reduce crime and fear of crime		Positive
ODPM	Better balance of housing supply and demand	•	Positive
ODPM	Improve the land use planning system		Positive
The second second	The state of the s		



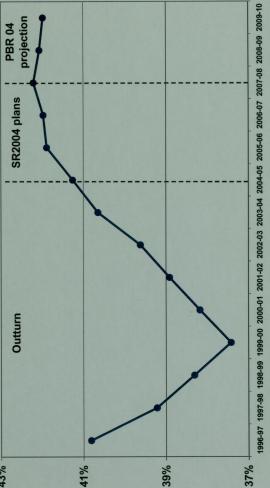




- it has taken a long time
- it is uneven across the country
- much of it is from a very low base
- adequacy is not enough
- the public is impatient and rightly expects more
- the agenda in the media shifts
- some targets don't tell the whole story
- the process of reform generates controversy
- and genuine transformation has only just begun

- violent crime
- MRSA
- truancy
- behaviour in schools
- asylum removals
- illegal immigration
- availability of drugs

Total Managed Expenditure, % GDP



Source : HM Treasury

The Right Mindset

- 'guiding coalition'
- shared vision
 - ambition
- clear priorities
- ministerial consistency
 - urgency
- capacity to learn rapidly
- collaboration across
 dovernment

Effective Performance Management

- targets
- sharp accountability
- good real-time data
- best practice transfer
- transparency
- · management against trajectory
- capacity to intervene where necessary
- incentives to reward success

Bold Reform

- · choice
- personalisation
- responsiveness to the community
- contestability
- serious investment
- 3 year funding for frontline
- flexible deployment of staff

This Parliament's achievements ...

- substantial delivery, often from a low base
- a platform for transformation

Next Parliament's challenge ...

combine the right mindset, performance management and reform to deliver transformation

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CABINET

CONCLUSIONS of a Meeting of the Cabinet held at 10 Downing Street on

THURSDAY 16 DECEMBER 2004 at 9.30 am

PRESENT

Prime Minister

The Rt Hon John Prescott MP
Deputy Prime Minister and First Secretary of State

The Rt Hon Alistair Darling MP Secretary of State for Transport and Secretary of

The Rt Hon Alan Milburn MP
Chancellor of the Duchy of Lancaster

The Rt Hon Geoff Hoon MP Secretary of State for Defence

State for Scotland

The Rt Hon Tessa Jowell MP Secretary of State for Culture, Media and Sport

The Rt Hon Charles Clarke MP Secretary of State for the Home Department

The Rt Hon Peter Hain MP Leader of the House of Commons, Lord Privy Seal and Secretary of State for Wales

The Rt Hon Jack Straw MP Secretary of State for Foreign and Commonwealth Mars

The Ri Han Dr John Reid MP Secretary of State for Health

The Rt Hon Faul Murphy MP Secretary of State for Northern Ireland

The Rt Hon Patricia Hewitt MP Secretary of State for Trace and Industry

The Rt Hon Hilary Armstrong VIP Chief Whip (House of Commons)

The Rt Hon Paul Boateng MP Chief Secretary to the Treasury

The Rt Hon Ian McCartney MP Minister without Portfolio

CONFIDENTIAL

CONFIDENTIAL ord Falconer of Thoroton QC Lader of the House of Lords and Lord President of Secretary of State for Constitutional Affairs and Lord Chancellor The Rt Hon Alan Johnson MP

Secretary State of Work and Pensions

Page

The Renor Hilary Benn MP Secretary of State for International Development

The Rt Hon Baroness Amos

Ruth Kelly MP Secretary of State for Education and Skills

ALSO PRESENT

The Rt Hon The Lord Grocott Chief Whip (House of Lords)

The Rt Hon The Lord Goldsmith QC Attorney General

SECRETARIAT

Andrew Turnbull Ged Sheinwald Katrina Wi

CONTENT

Subject

MINISTERIAL APPOINTMENTS

PARLIAMENTARY BUSINESS Gambling Bill

Notifying Members of Parliament of Ministerial Visits

CURRENT EVENTS

Freedom of Information Anti-terrorism, Crime and Security Act Army Structure

FOREIGN AFFAIRS European Council

CONFIDENTIAL

THE PRIME MINISTER said that the decision by David Blunkett to resign from his position as Home Secretary had been understandable, but was a great pity both for him personally and for the Government as a whole. His successor, Charles Clarke and the new Secretary of State for Education and Skills, Ruth Kelly, were both to be congratulated on their appointments.

The Cabinet were informed of the business to be taken in the House of Commons on 20 and 21 December and of the provisional business for the weeks beginning Monday 10 January and Monday 17 January 2005.

Gambling Bill

Previous Reference:

THE SECRETARY OF STATE FOR CULTURE, MEDIA AND SPORT said that the planned arrangements under the Gambling Bill to place a cap on the number of casinos to be licensed under the Bill and for selecting the locations in which they should be built would be announced in the House of Commons later that day. The proposals struck a balance between the need to realise the benefits of growth in the gambling industry on the one hand and to avoid a proliferation of new casinos on the other. The towernment's backbench supporters were likely to welcome the proposals

Notifying Members of Parliament of Ministerial THE PRIME MINISTER said that some of the Government's backbench supporters had complained that they were not always given advance notice of Ministerial visits to their constituencies or of announcements by Ministers which affected their constituencies. The failure to inform Members of Parliament of all parties of visits to their constituencies was a recurrent issue and all departments needed to put in place a proper process, which should not necessarity rely on action by private offices, to ensure that this happened.

CURRENT EVENTS

The Cabinet were informed of the main issues affecting the conduct of the Government in the week beginning Monday 20 December.

Freedom of Information

Previous Reference:

THE SECRETARY OF STATE FOR CONSTITUTIONAL AFFAIRS gave a presentation (attached) on the implementation of the Freedom of Information Act, which would come into effect on Lanuary 2005. The core message was that in future good Government would be both open and effective (which meant retaining privacy where necessary). A balanced approach had therefore been agreed by Cabinet - robustly protecting effective Government and personal privacy while actively promoting openness. Preparations were in place across departments, with

central support in place, including a clearing house in his own department. There was growing media awareness, including in the regional as well as national press.

Initially, there were likely to be a large number of high profile requests testing the limits of the Act and the Government's approach. It was essential for the Government to take a consistent approach, for departments to all recognise the collective interest in consistency and to demonstrate a real change in openness. A shift to greater openness was a necessary balance to robustly protecting what should remain private. Any organisation had to discuss some matters privately and receive advice, including legal advice, confidentially.

As there were 20 working days to reply to any request, the deadline for initial responses would be 1 February 2005.

Ministers in charge of departments needed to ensure that awareness raising and training was being undertaken, that a senior freedom of information champion was in place and that processes were being internally tested. As well as establishing the clearing house, the Department for Constitutional Affairs had circulated guidance and working assumptions. Some information had already been released and further information would be released under the freedom of information banner. Agreement had been reached to release the Cabinet Secretaries' Notebooks where these were over 30 years old. A bi-partisan approach was necessary and discussions would take place with Opposition parties at the right time.

Concluding, THE SECRETARY OF STATE FOR CONSTITUTIONAL AFFAIRS sought Cabinet's agreement to simultaneous publication. That was to say that if a media organisation requested and received information under the Freedom of Information Act the department would simultaneously make it widely available, for example by placing the information on their website. This was controxers al with the press who preferred to use the Act as a means to secure "exclusives". However, the public interest was to make information widely available rather than to support particular media outlets.

The following points were made in discussion:

clarity was still needed about whether the co Ministerial diaries needed to be released, inclu-

or party political engagements. Stakeholders such as commercial organisations would be more reluctant to discuss matters with Secretaries of State if they thought the fact would inevitably be made public. Departments needed to take a consistent approach on this;

- Clarity would also be welcome about whether information which was not being retained on files or folders should be destroyed or deleted, and after what interval;
 - freedom of information was an important part of the approach the Government had adopted since 1997, in parallel, for example, to incorporating the Convention on Human Rights into domestic law which had generally worked well and been widely supported. The Government should take credit for making these changes. While the Freedom of Information Act extended rights to see information, these rights were qualified and the Oxernment should be robust in defending, for example, intermation provided by third parties and information which peeded to be kept private if Government was to operate properly. Legal advice on whether to disclose information could be over-cautious. The Government furthermore had a right to issue a certificate saying information should not be released even if the view of the Information Commissioner and Tribunal was that it should:
- the Department for Transport had received two requests d. from television companies asking to see information about the privatisation of Briash Rail and all marine pollution cases since the Torrey Canyon foundered in 1967. There were arguments that releasing all this information would be in the public interest, but it would undoubtedly cost more than the £600 threshold beyond which departments could refuse to supply information on oost grounds. A consistent approach would need to be taken to whether to respond to such requests, and if so how to do so;
- as previously mentioned in Cabinet, advice from the e. Cabinet Secretary would be welcome on the application of the Act to the Office of the Minister without Portloid

particular the distinction between government and party information:

the Act also applied to members of Cabinet in their f. capacity as Members of Parliament. Information had already been released about expenses and there was pressure to release more detailed information of this

Responding, THE SECRETARY OF STATE FOR CONSTITUTIONAL AFFAIRS said a disciplined and consistent approach across all departments was essential. It was not possible to offer definitive guidance as, whatever view the Government took, decisions could be referred to the Information Commissioner and Information Tribunal. This made consistency all the more important to avoid damaging precedents.) On diaries, the guidance was that information going beyond previously acknowledged public engagements should not be released. On the destruction of existing documents, his own preference was to continue to destroy documents in line with past practice. The Act contained no obligation to keep information unnecessarily. As for requests for expensive information, his preference was that departments should not become researchers on behalf of television or other media companies even if they offered to meet the costs. It would therefore be better not to agree to the request. This was, however, a good example of the sort of case which should be referred to the clearing house in order to adopt a consistent approach.

Summing up, THE PRIME MINISTER said the Cabinet agreed the Secretary of State's proposal on simultaneous publication of information requested by an individual media organisation. It would be absolutely essential for the clearing house to operate well and for departments to avoid setting unfortunate precedents. Equally, it would be important to think about what more could be proactively released as part of the agreed strategy. Much factual background and research papers produced by departments fell into this category. Government Ministers should continue to be able to meet groups of stakeholders including commercial organisations or individual companies on a confidential basis, and the Government needed to explain why this was the case. More generally, the Government should indeed take credit for the major constitutional changes it had introduced, including devolution, the incorporation of the European Convention on Human Rights into domestic law, the removal of patronage in appointments to the Lords and changes to political

funding. These had proved to be the right decisions.

The Cabinet -

Took note.

and Security A

THE HOME SECRETARY said that the House of Lords was to give judgement that day on whether the detention in Belmarsh Prison under the Anti-terrorism, Crime and Security Act 2001 of foreign nationals on suspicion of terrorist links was compatible with the Human Rights Act. It seemed that the House of Lords would overturn the Appeal Court verdict that detention was compatible with the latter Act. It was not, showever, yet known on what grounds the Lords had found against the Government. It would not necessarily follow that the detainees would need to be released.

Army Structure

THE DEFENCE SECRETARY said that he would be making an announcement Mat afternoon about the future structure of the Army. This reflected the change in strategy since the end of the Cold War and the need to support concurrent operations in a number of different theatres. The Chiefs of Staff were fully behind the Army's proposal to use the improvement in the security situation in Northern Ireland to reduce the number of intantry battalions, and re-allocate some 2,400 posts to the support Arms such as engineers and medics. The pace of operations in recent years meant that those logistic functions had been more stretched than the infantry

Continuing, the Defence Secretary seid that about half the Army was already organised into multi-battalion regiments. The changes he was announcing would move all the infants onto that basis, and abolish the need to re-role battalions every two years. That system had been necessary to ensure that infantry battalions could fulfil different roles, but without requiring, as happened at present, frequent geographical moves, disrupting family life and adversely affecting retention. At any one time between seven and eight battalions were not fully operational as a result of excessive movement. The new system would allow personnel to gain broader experience by moving between battalions. Bartalions would, however, continue to recruit in their traditional areas.

THE PRIME MINISTER observed that these proposals for change had originated in the Army's desire to increase their operational flexibiting and

capability. It would be helpful if the Defence Secretary could circulate the announcement and briefing for Prime Minister's questions to Cabinet Colleagues, and provide a brief to the Parliamentary Labour Party.

The Cabinet -

Took note.

European Council: 16 – 17 December 2005

Previous Reference:

CC(04)21.2

4. The FOREIGN AND COMMONWEALTH SECRETARY said that the main issue for the Council would be agreeing a position on the opening of European Union (EU) Accession negotiations with Turkey. An agreement which met the three key Turkish requirements – a commitment to open the negotiations, a date for their opening, and recognition that the objective of negotiations should be EU membership—was within grasp. Recognising that failure to agree on the start of negotiation would be highly damaging both for the EU and for Turkey, those LED tracks of Government facing domestic difficulties over the decision, like the President of the French Republic, had shown courage and flexibility and had adopted a statesman-like approach. The key now was that the Purp Minister of Turkey should not carry through his threat to reject a deal which is substance met his key demands: it would be important to maintain the see contact with him as the negotiations progressed.

Irai

Previous Reference:

CC(04)34.3

THE FOREIGN AND CONTROLLED SECRETARY reported that there had been a constructive fracting between Iran and the European 3 (France, Germany and the UK) in boussels on 13 December. Hassan Rouhani, the Secretary General of the Supreme National Security Council of Iran, was a potential future President.





Freedom of Information Act Implementation of the

16th December 2004

implementation



Implementation date: 1st January 2005

2 weeks to go

FOI: Message





Government Message

The Past

Government scision-making behind closed doors

The Future

Good Government

- = Open Government
- = Effective Government

FOI:

Implementation



- April: Cabinet FOI discussion
- May: MISC 28 set up to oversee FOI implementation
- July: Balanced approach agreed by Cabinet
- Protection:
- Robustly protecting effective government and personal privacy
- Openness
- Actively promoting openness



Strong FOI preparations are in place across Departments

- Networks of FOI practitioners
- Departmental training and awareness raising
- Internal test cases

Central support in place for Departments:

- Clearing House
- MISC 28
- Guidance on responding to requests/applying exemptions/fees
- Networked approach across Departments

FOI: Current Communications



- Making the case:
- > Speeches & interviews
- Fees
- > Free of charge
- > Disbursements
- Information Commissioners Office
- Media
- > Growing news interest
- > Stakeholder meetings with media
- > Regional media interest



<u>Likelihoods:</u>

- High media take-up testing the limits of the Act
- Difficult requests

Risks:

- Cross-Government inconsistency
- Departmental inconsistency
- No perception of change



Examples:

1) AG's advice on Iraq

Withhold: Legal Advice exempt - public interest test

2) Millennium Dome

- Withhold: Cabinet Papers
- Release: Factual & background information

3) Passport Office IT contract

Release: after end of financial year

FOI: early timetable





- Implementation date: January 1st 2005
- 20 working days to reply
- 1st response date: 1st February 2005

FOI: departments CCC Constitutional Affairs



Checklist for Departments:

- Awareness raising and training
- Senior Champion in place
- Internal testing of processes



DCA arrangements in place:

- Clearing House
- > Officials in place over New Year period
- FOI Guidance
- Working Assumptions

FOI:

Current impact



Already released:

MRSA rates

5 Economic Tests

· Evidence on Judicial pay

To be released:

Impact of speed cameras on casualty rates

Cabinet Secretaries Notebook

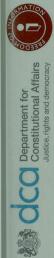
International Sustainable Development plans

FOI: bipartisan approach



- Maintaining collective responsibility <u>now</u> requires maintaining it for previous administrations
- Discussions with Opposition parties planned

release protocol



Justice, rights and democracy

- Simultaneous publication
- Open Government
- PM Questions parallel



press gazette

Falconer must address

scoop paradox' of Fol Act ord Falconer's bemusement at last Friday's Law

for Journalists Conference was something to

forthcoming Freedom of Information Act, now just weeks from coming into force.

And then the man from The Times asked him an nnocuous sounding question.

the legislation, would the answer be given only to that request by a newspaper? If a journalist had worked for weeks on a story, and had then filed a question using Was there, wondered legal manager Alastair Brett,

the scoop without having done any of the legwork? release, allowing rival publications to get a piece of Or would it be broadcast on a website or by press Falconer looked on in amazement. Let's get this straight, he said. You want the facts to be freely



January 1st 2005

Historic commitment realised

But...

- 1st January 2005 is the start not the end
- Long-term cultural change, not short-term.
- Be prepared for initial rough-ride
- FOI must become part of every-day business.