

Briefing Paper

The Queen's Speech

November 2009

Introduction

The Queen's Speech at the official opening of Parliament has outlined the Legislation the Government will prioritise during the forthcoming Parliamentary year.

Labour have with the Queen's speech promised "guarantees not gambles" as it used the final Queen's Speech to draw dividing lines with the Conservatives ahead of the coming general election. The Queen set out the Government's agenda with thirteen Bills (and two draft Bills).

Economic recovery was highlighted as a key priority for the Government. Legislation such as the Financial Services Bill will transform the way the financial sector is policed and empower consumers of financial services, while other Bills will seek to reduce Government debt and promote growth and jobs in key sectors such as digital communications.

This briefing paper summarises the legislative programme announced by the Queen and the key measures to be introduced during the lifetime of the parliamentary session, and it is seen as critical that the Queens speech of 2009 outlines some of the measures that will start the general election campaign prior to the next general election which must be help before 3rd June 2010.

Summary of Key Legislation Announced

Bribery Bill

Individuals who make illegal payments to win business in the United Kingdom or overseas could be jailed for a decade under the bribery bill announced in this year's Queen's speech.

The legislation is meant to strengthen the law against corruption. It covers the practice of offering, promising or giving a bribe, or accepting, soliciting or agreeing to receive an illicit payment.

The bill will create a specific criminal offence of bribing a foreign public official to obtain or retain business. Companies could also be prosecuted for failing to prevent an employee paying a bribe, if they cannot prove that they have adequate procedures in place to prevent such illegal payments.

It will also raise the maximum jail term for bribery from seven years to ten years. A company convicted of "negligently failing to prevent bribery" would face an unlimited fine.

A draft version of the bill was drawn up earlier this year and presented to parliament in March. In it, the government said that, while bribery has been illegal for centuries, there is now a "patchwork" of offences under several different laws which need to be consolidated under a single bill.

Britain has been repeatedly criticised for not bringing the law on bribery into line with international standards.

In 1998 the Law Commission recommended general reform of the bribery laws, but a draft bill in 2003 failed to win broad support in pre-legislative scrutiny.

Children, Schools and Families Bill

The education and families' bill will toughen up the secretary of state's powers to intervene and close failing schools, and will provide a raft of new guarantees for parents and pupils to demand one-to-one tuition, contact with teachers and school policies to tackle bullying.

All councils will conduct an annual survey of parents on the provision of local secondary schools – where they are unhappy, local authorities will be forced to intervene.

The bill will legislate for a new primary curriculum, starting in September 2012, to reorganise traditional subject areas such as history and science into thematic areas of learning, such as "historical, geographical and social" lessons, to try to ease the pressures of the cumbersome curriculum on schools and give them the freedom to do cross-subject thematic lessons.

There is a heavier emphasis on children's happiness and wellbeing. The bill also makes personal, social and health education (PSHE) – including sex education – mandatory in primary schools for the first time.

Digital Economy Bill

'Ofcom' will gain a new duty to assess the United Kingdom's communications infrastructure every two years. Ratings will be made compulsory on all video games designed for children aged twelve and above and promises to tackle infringement of copyright more effectively. Also, the bill updates regulations for Channel 4 and digital switchover. The Bill will extend to whole of the United Kingdom.

Equality Bill

The Bill is particularly relevant for the public sector. It provides for a new duty on the whole public sector to "narrow the gap between rich and poor".

The Bill also bans age discrimination outside the workplace - such as when buying goods and services which extends the current age discrimination provision beyond those that are employment related.

It will compel businesses (with more than 250 employees) to report on gender differences on pay and strengthens powers of employment tribunals. Public bodies will be expected to use public procurement deals to 'drive equality' in private sector firms. This covers England, Scotland and Wales.

Financial Services Bill

Tearing up bankers' contracts and forcing banks to pay for consumer education are among the powers that are being handed to the City regulator in the Queen's speech.

The Financial Services Authority will be able to void contracts signed by bankers and their employers after 1st January 2010 if it believes the pay structures encourage the individual to take too much risk.

Lawyers said the new power was like handing the regulator a missile. Mathew Rutter, a partner at Beachcroft LLP said:

"The power to tear up bankers' service contracts sounds dramatic, but I doubt it is something the Financial Services Authority would be keen to do. It's the regulatory equivalent of Trident – it is the ultimate sanction, which is designed to strengthen the negotiating position of the Financial Services Authority, rather than ever to be used. And if it were to be used, there would be lots of scope for legal challenge – and probably lots of aggrieved bankers ready to bring such a challenge."

The new bill also creates a Financial Stability Council, which will oversee the current tripartite regulatory system of the Financial Services Authority, the Bank of England and the Treasury. It will meet quarterly, and minutes of its meetings will be published. Its first meeting will be to discuss the Financial Services Authority's code of conduct on City pay.

The Treasury is also introducing measures aimed at consumers. It will give the Financial Services Authority powers to take a new levy from banks to pay for a consumer protection agency. Consumers will also be given the right for the first time to take "class action" suits – common in the United States – through the courts in cases of large-scale wrongdoing such as endowment mis-selling or personal pensions.

The bill will also give the Financial Services Authority powers to force banks to create "living wills", which are intended to make them set out plans through which their businesses could be unravelled easily in the event they collapse. The aim is to avoid having to use taxpayers' money to prop up banks that are "too big to fail" again.

The Financial Services Authority, which was going to be given oversight of hedge funds, will instead be able to demand cooperation from them and from other financial firms it does not regulate during investigations into wrongdoing.

Lawyers are concerned that when the bill is published it will show that the two years the City regulator currently has to investigate wrongdoing is being doubled to four years.

Sidney Myers, a partner at Berwin Leighton Paisner, said:

"If the Financial Services Authority is given four years to investigate suspected misconduct, it means that individuals could easily be tied up in defending themselves for up to five or six years if they challenge the Financial Services Authority's decision and refer the matter to the Financial Services and Markets Tribunal."

"Most worryingly, aside from the obvious stress and anxiety, it will often be practically impossible for the individual to get another job in the financial services industry while he or she is under investigation."

The bankers' lobby group, the British Bankers' Association, is particularly anxious that the new powers for the Financial Services Authority on City pay will impede the financial sector.

A spokeswoman for the British Bankers' Association said:

"British banking is a global business and, while the sector welcomes reform, our concerns remain that moves to bind how our banks operate at home and overseas could put the industry at a serious disadvantage and discourage global banks from coming to the United Kingdom. This would be a major problem for jobs, the taxpayer and the wider economy as well as bad for business."

Fiscal Responsibility Bill

The government's new fiscal responsibility bill will provide a "firm and binding statutory basis" for reining in the government's spiralling deficit and debt in the wake of the credit crunch and recession, the Queen said.

The bill will commit the government to halving the deficit – which is heading for a record £175 billion in the current fiscal year – within four years.

The chancellor, Alistair Darling, already set out plans to slash the deficit in the budget in March and will provide further details of how he would achieve that in the pre-budget report on 9 December.

The Treasury used to operate under two self-imposed fiscal rules – the 'golden rule' that required the government to borrow only to finance investment spending and the sustainable investment rule that required the national debt to be kept below 40% of national income.

Both have been spectacularly broken as the recession meant a collapse in tax receipts and the bailout of banks, which have pushed the national debt to around 50% of GDP, a level the Treasury expects to rise to about 80% in the next few years.

The government's problems stem from the fact that it allowed the deficit and debt to rise during the boom up until 2007, instead of ensuring it was running a surplus as insurance against an economic downturn, say economists.

House of Lords Reform Bill

The House of Lords reform draft bill is designed to address what Jack Straw described over the summer as "the unfinished business" of making the upper house more democratic.

The government is expected to rely on the outcome of free votes on Lords reform in 2007 to switch to elections for the majority of those sitting in the Lords. The House of Commons voted in favour of reforms leading to a 100% or 80% elected second chamber and against all other options. The Lords rejected the prospect of elections.

The justice secretary had angered campaigners for change by signalling over the summer that reforms would be delayed until after the next general election.

Straw unveiled a number of proposals in July, including halving the number of peers, with elections for a 12-15 year stint - "a single non-renewable term of three election cycles" - and recall for those deemed incompetent. At the time, he said the proposals outlined were to generate debate rather than a "final blueprint".

Personal Care at Home Bill

Around 280,000 of the neediest people in England will get free personal care in their own homes, as Gordon Brown announced at the Labour party conference in September. That will cover basic, everyday living tasks such as getting up, dressing, washing and using the toilet. Those needing help with at least four such tasks will be eligible to receive this support from next October.

Questions remain about how this will be funded, though it may be jointly by the Department of Health and local councils. The move will be welcomed, but is well short of the complete overhaul of the crumbling, widely criticised social care system which is needed, according to charities such as Age Concern and Help the Aged, local council leaders and senior figures like Sir Derek Wanless, an adviser to Brown when he was chancellor.

In addition, about 130,000 people who have recently spent time in hospital will also get free "re-ablement care". That involves measures to help someone live independently in their own home for as long as possible, such as the installation of a stair lift.

Age Concern and Help the Aged say that local councils will need to receive enough funding to ensure they can deliver the new domiciliary care services for free, so that it does not have the perverse incentive of either getting older people pushed into residential care homes sooner than they need to be there, or of downgrading their assessment of the senior citizen's needs in an attempt to avoid financial responsibility.

Political Reaction & AWICS Comments

In the wake of the Queen's Speech, Lord Mandelson denied the accusation of electioneering, suggesting all the measures were necessary for Britain.

The Conservatives will play a significant role determining how much of the legislation becomes law. Bills that have not yet been reached the statute books by the time an election is called will only pass if there is agreement between the parties, in a process known as "wash-up".

Before the 2005 election, the wash-up negotiations resulted in the passing of gambling legislation wanted by Labour, although the price secured by the Conservatives for their support was to reduce the number of super casinos from six to one.

Michael Gove, the Shadow Schools Minister, said legislation to bring in pass aspirations on reducing child poverty or the budget deficit would reduce the Queen's speech to "partisan pettiness". He said:

"Simply using the issue of poverty to say to other political parties 'Look can we paint you into a corner? Can we paint you black? That's not good enough.

"The government are trying to say they can abolish child poverty, that they can guarantee a legal right to good education and also that they can guarantee equality by simply passing legislation, as though by simply appending the Queen's name to a piece of paper, somehow bad schools, inequality and poverty will disappear. We all know it's far more complicated than that."

However he added that the Conservatives would support such legislation:

"We're not going to play Gordon Brown's game. That would be to reduce the complicated and serious argument about how to deal with poverty simply to an exercise in political positioning."

Chris Grayling, the shadow Home Secretary, suggested that the public should not be fooled into thinking that any of these measures was urgently needed:

"This is a government which has had 12 years to do what it thought necessary."

The programme includes a number of previously-announced measures, such as giving agency workers equal rights on pay, holidays and basic conditions.

There will also be pledges to crack down on anti-social behaviour with compulsory parenting checks when youths are unruly.

However, the Queen's Speech did not include a proposal to legislate to introduce self-financing in the Housing Revenue Account as proposed in the July 2009 consultation paper issued by 'Communities & Local Government'.

In a move that will please Labour's Left, a ban on cluster munitions will be put before Parliament. On the environment, legislation will be tabled to support carbon capture technology and improve flood defences.

Jacob Zuma, the new President of South Africa, has been invited on a state visit next year, while government documents also reveal a royal visit to Bermuda and then Trinidad and Tobago for the Commonwealth Heads of Government meeting.

Adam M. Waite
November 2009

Transcript of Queen's Speech 2009

'My Lords and members of the House of Commons.

My Government's overriding priority is to ensure sustained growth to deliver a fair and prosperous economy for families and businesses, as the British economy recovers from the global economic downturn. Through active employment and training programmes, restructuring the financial sector, strengthening the national infrastructure and providing responsible investment, my Government will foster growth and employment.

My Government will also strengthen key public services, ensuring that individual entitlements guarantee good services, and will work to build trust in democratic institutions.

My Government will seek effective global and European collaboration through the G20 and the European Union to sustain economic recovery and to combat climate change, including at the Copenhagen summit next month.

The Duke of Edinburgh and I look forward to our visit to Bermuda and our State Visit to Trinidad and Tobago and to the Commonwealth Heads of Government Meeting in this, the Commonwealth's 60th anniversary year. We also look forward to receiving the President of South Africa next year.

My Government will continue to reform and strengthen regulation of the financial services industry to ensure greater protection for savers and taxpayers. Legislation will be brought forward to enhance the governance of the financial sector and to control the system of rewards.

As the economic recovery is established, my Government will reduce the budget deficit and ensure that national debt is on a sustainable path. Legislation will be brought forward to halve the deficit.

My Government will introduce a Bill to enable the wider provision of free personal care to those in highest care need.

Legislation will be brought forward to introduce guarantees for pupils and parents to raise educational standards.

My Government will legislate to protect communities by ensuring that parents take responsibility for their children's antisocial behaviour and by tackling youth gang crime.

My Government will introduce a Bill to ensure the communications infrastructure is fit for the digital age, supports future economic growth, delivers competitive communications and enhances public service broadcasting.

Legislation will be introduced to support carbon capture and storage and to help more of the most vulnerable households with their energy bills.

My Government will respond to proposals for high-speed rail services between London and Scotland.

Legislation will be introduced to protect communities from flooding and to improve the management of water supplies.

My Government is committed to ensuring everyone has a fair chance in life and will continue to take forward legislation to promote equality, narrow the gap between rich and poor and tackle discrimination. The Bill would also introduce transparency in the workplace to help address the differences in pay between men and women.

My Government will continue to enshrine in law its commitment to abolish child poverty by 2020.

My Government will legislate to provide agency workers with the right to be treated equally with permanent staff on pay, holidays and other basic conditions.

Legislation will continue to be taken forward on constitutional reform. My Government will also publish draft legislation on proposals for a reformed second chamber of Parliament with a democratic mandate.

A Bill will be introduced to strengthen the law against bribery.

My Government will continue to work closely with the devolved administrations in the interests of all the people of the United Kingdom. My Government is committed to the Northern Ireland political process and will continue to work with Northern Ireland's leaders to complete the devolution of policing and justice and to ensure its success.

In Scotland, my Government will take forward proposals in the Final Report of the Commission on Scottish Devolution. My Government will continue to devolve more powers to Wales.

Members of the House of Commons.

Estimates for the public services will be laid before you.

My Lords and members of the House of Commons.

My Government will work for security, stability and prosperity in Afghanistan and Pakistan and for peace in the Middle East.

Legislation will be brought forward to ban cluster munitions.

My Government will work towards creating the conditions for a world without nuclear weapons, including addressing the challenges from Iran and North Korea.

Draft legislation will be published to make binding my Government's commitment to spend nought point seven per cent of national income on international development from 2013. Other measures will be laid before you.

My Lords and members of the House of Commons I pray that the blessing of Almighty God may rest upon your counsels.'