

# Political Intelligence



Queen's Speech 2015

## Overview

The Queen's Speech had been expected to be quite a ruckus this year, with the prospect of a hung parliament and party leaders wrangling for power. However, the General Election on the 7<sup>th</sup> May, to the surprise of most pollsters, saw a majority Conservative government elected with 331 MPs to the Labour Party's 232 MPs. This was indeed a result that astounded many and saw three party leaders resign within hours of each other; Ed Miliband MP, Nick Clegg MP and Nigel Farage (temporarily at least). For a moment after the result of the General Election it became a political game of musical chairs; who's in and who's out.

However, the serious business of politics returned to the House this morning, with the State Opening of Parliament by the Queen, who revealed the legislation that the Conservative government, who have not written a Queen's Speech as a majority government for nearly two decades, will be pursuing in the coming session. There was lots of speculation prior to the Queen arriving in the House of Lords that more stringent controls on immigration, welfare cuts and the EU referendum would appear in the speech, which they did.

However, concessions seem to have been made in regards to the Human Rights Act that was rumoured to be up for the axe. In regards to this, it's worth noting that although the Conservative party has a majority, it is a slim one of just 12 seats. David Cameron will be aware that the tougher pieces of legislation announced today will require the support of his backbenchers.

This document offers an analysis of the Queen's Speech and what impact it will have over the coming months.

If you would like a more detailed briefing on any of the announcements made during the Queen Speech and how a specific Bill affects your business please contact: [nick@political-intelligence.com](mailto:nick@political-intelligence.com)



## Key legislation

<b>Queens Speech 2015: Legislative Programme</b>	
<b>Armed Forces Bill</b>	<b>Bank of England Bill</b>
A Bill to provide the legal basis for recruitment and discipline of the armed forces	To strengthen governance and implement the recommendations of the Warsh review
<b>British Bill of Rights (Consultation only)</b>	<b>Buses Bill</b>
A consultation on the creation of a British Bill of Rights to replace the Human Rights Act	A Bill to give local areas with directly-elected Mayors responsibility for bus services
<b>Charities Bill</b>	<b>Childcare Bill</b>
A Bill to protect charities from abuse by strengthening the Charity Commission's powers	Double free childcare for parents of children aged three and four
<b>Cities and Local Govt Devolution Bill</b>	<b>Counter-extremism Bill</b>
Devolution of more powers for English cities over housing, transport, planning and policing	A new Bill to crack down on radicalisation, including "extremism disruption orders"
<b>Education Bill</b>	<b>Employment Bill</b>
An education Bill to force underperforming schools to accept new leadership	2 million jobs & 3 million apprenticeships by 2020: funded by reducing the benefit cap from £26k to £23k
<b>Energy Bill</b>	<b>Enterprise Bill</b>
A Bill to increase energy security, establish the Oil and Gas Authority, devolve onshore wind	A Bill to reduce red tape and enable easier resolution of disputes for small businesses
<b>European Union (Finance) Bill</b>	<b>EU Referendum Bill</b>
A Bill to force the 'Own Resources Decision' and preserve the UK's rebate	Legislation to set the date of the EU referendum in 2017



<b>Housing Bill</b>	<b>Immigration Bill</b>
A new housing Bill to extend the right to buy to 1.3 million housing association tenants	A Bill to clamp down on illegal immigration and people working unlawfully
<b>Income Tax/ Finance Bill</b>	<b>Investigatory Powers Bill</b>
Legislation to enshrine commitments not to raise national insurance, VAT or income tax	A Bill to give police and security services more power to intercept internet communications
<b>NHS Commitment (no Bill)</b>	<b>Northern Ireland Bill</b>
A 5 year plan to create a 7 day NHS, 5,000 new GPs and increase investment by £8bn a year	To establish a Historical Investigations Unit to deal with unsolved Troubles related cases
<b>Policing Bill</b>	<b>Psychoactive Substances Bill</b>
Legislation to extend police-led prosecutions and overhaul the complaints system	A Bill to ban the production, distribution, sale and supply of new psychoactive substances
<b>Scotland Bill</b>	<b>Trade Unions Bill</b>
Further devolution to Scotland: full power to set income tax rates and £3bn of welfare powers	Legislation to ban strike action affecting core services unless supported by 40% of members
<b>Votes for Life Bill</b>	<b>Wales Bill</b>
A Bill to scrap the 15 year time limit on British citizens voting overseas	Transfer of more powers to Wales, such as transport regulation & some energy projects

# Sector Analysis

## Technology

The Government has been friendly to the technology sector, with a number of policies announced in the Budget before the election. However, technology did not feature heavily in the Queen's Speech with only a few relevant mentions and new Bills. These include the return of the so called 'Snooper's Charter' and an Extremism Bill which may limit extremist suspects' access to the Internet.



- The **Investigatory Powers Bill** will 'modernise' communications data laws and is very similar to the Draft Communications Data Bill (also known as the 'Snooper's Charter') which was vetoed in 2013 by the Liberal Democrats. The Bill will require communications service providers (CSPs) to retain data about user's internet and phone activity, however there will be appropriate safeguards.
- The **Extremism Bill** may require extremist suspects' online communications to be vetted prior to publication, and Ofcom will be given additional powers to sanction channels broadcasting extremist content.
- Improving the UK's ability to protect infrastructure from cyber-attacks.
- The **Enterprise Bill** will help small businesses with late payments, Business Rates and red-tape, which could help many smaller more innovative firms with an online focus.
- Using the Paris climate change conference to promote the UK as a leader in green technology.

The above legislation will easily clear the House of Commons, however the Investigatory Powers Bill may struggle in the House of Lords, where a number of Liberal Democrats remain.

## Energy

The Government will table an Energy Bill over this parliamentary session aimed at ensuring that "there will be affordable and reliable energy for business and families". This Bill will formally:

- **Establish the Oil and Gas Authority as an independent regulator** - giving it the powers needed to become a "robust, independent and effective regulator" and enable the body to maximise the economic recovery of oil and gas from UK waters.



- Enshrine in law, the Conservative Party's manifesto commitment to **"halt the spread of onshore wind"** - by giving local communities the final say on wind farm applications.

The latter provision of the Bill will attract more attention as the Prime Minister will be accused, yet again, of retreating from his previous desire to be "the greenest government ever", a claim he made in May 2010. The onshore wind sector may well fear investing in the UK given that they are likely to face more Nimbyism from local authorities than ever before and speculation that the Government is expected to shortly announce that no new subsidies are to be given to onshore wind farms. Indeed, Maria McCaffery, Chief Executive of RenewableUK, the trade association representing the wind, wave and tidal energy industries, said: "Singling out one of the most popular and lowest cost forms of energy technology for different treatment in the planning system sends a worrying message to investors across the energy sector."

The new Energy Secretary, Amber Rudd MP, has already been busy dealing with the in-tray left by the deposed Lib Dem Energy Secretary, Ed Davey, in addition to preparing legislation to block onshore wind and support the UK's shale gas sector. Rudd has been doing this whilst making somewhat jarring, but sustained, efforts to communicate her climate change credentials to the environmental sector. In addition to acting on her party's onshore wind commitments, Rudd will no doubt have her orders to waste no time in supporting the struggling North Sea oil and gas industry and establishing the Oil and Gas Authority as an independent regulator.

## Health

While no dedicated Bills related to the health system were announced, the NHS did feature prominently in the Queen's Speech. Her Majesty explained that the Government will, as promised in the Conservative manifesto, implement 'the National Health Service's own five-year plan' through:



- **'Increasing the health budget'** – Spending will increase by £8 billion a year by 2020 to support 'the transformation of services across the country'. The Government has specifically stated that the funding will support 'faster access to new drugs and treatments'.
- **'Integrating healthcare and social care'** – The Government will support the NHS's long-term plan to join up these two aspects of care.
- **'Ensuring that the NHS works on a seven day basis'** – The Government stated that this will 'help to deliver a safer, more sustainable NHS and more lives saved'.

The Speech also explained that 'measures will be introduced to improve access to general practitioners and to mental healthcare', with the Government's briefing notes adding that the GP Access Fund will ensure that 18 million patients will have access to a GP at evenings and weekends by the end of this year. The Queen's

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Speech also included a Draft Public Service Ombudsman Bill which will absorb the functions of the Health Ombudsman, Parliamentary Ombudsman, Local Government Ombudsman and potentially The Housing Ombudsman.

None of the content contained in the Queen's Speech related to health came as a surprise as it was completely in line with the Conservative Manifesto. Perhaps the point which remains least clear, however, is how precisely the Government's proposed seven day NHS will be funded. It should be remembered that the additional £8 billion a year by 2020 is, as explained in Simon Stevens' Five Year Forward View, required merely to retain the NHS' current services.

## Property

Property featured heavily in the Conservatives' manifesto unveiled some three weeks ago, and did so again in the Queen's Speech today.

The Department of Communities and Local Government (DCLG) actually confirmed the keynote 'Housing Bill' would be included in the Speech yesterday. The Bill is set to deliver manifesto pledges and policies proposed during the last Parliament;



- **200,000 Starter Homes** – first announced earlier this year by the Chancellor George Osborne in the Budget, and now confirmed as pending legislation. The new homes will be sold with a 20% discount to first-time buyers who are under 40.
- **£1bn Brownfield Fund** – the Brownfield Fund will be formally established, designed to stimulate development through a new brownfield register. The register will allow local authorities to fast-track the construction of new homes on brownfield.
- **Right to Build** – first outlined in the Budget of 2014, the Right to Build will offer support to self-builders by requiring councils to identify and release plots of land suited to development. This is also designed to help stimulate development from small and medium developers.
- **Community Planning Powers** – DCLG has confirmed the neighbourhood planning process will be streamlined and sped up. This element of policy may also include greater powers to local communities and tie into the protection of Greenbelt land, a key issue for voters in the Conservative heartlands of rural England, the very places Eric Pickles has been so keen to protect in the run up to the election.
- **Right to Buy** – A favoured Conservative policy which was a key part of the party's manifesto in the early stages of the election campaign. The extension of 'Right to Buy' to those currently living in housing association owned properties has already proved to be controversial. It lacks support from not just the opposition but key stakeholders including the National Housing Federation and housing associations. Questions also remain as to what extent this will alleviate the housing crisis, with many commentators arguing it will just exacerbate the problem.

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## Analysis

The last time the Queen set out the legislative plans of a Conservative majority Government John Major was Prime Minister. In some ways, little has changed. Today the Queen laid out how her government will 'adopt a one nation approach', with the cornerstone of the Conservative message remaining throughout that economic stability underpins it all.

26 bills were announced today, and in addition to those mentioned in the sector analysis above, they include tax cuts, the extension of right-to-buy and the UK's membership of the EU; all quintessential tory hallmarks. The introduction of plans to extend childcare, introduce a tax lock to block rises in VAT, income tax and national insurance, all follow the points laid out in the Conservative manifesto that was released in April.

There was a clear acknowledgement by the government today in the Speech that they are apprehensive about the fact that they have a small majority government. This was evident in the fact that there was no announcement, as expected, regarding scrapping the Human Rights Act after it had come under heavy criticism from senior Conservative MPs. Instead the Queen announced a consultation on the plans as opposed to introducing legislation. It was also rumoured that there would be an announcement about a free Commons vote on repealing the fox hunting ban, but this didn't feature. However, the environment secretary Liz Truss said there would be a vote by 2020. It's worth highlighting that there are 100 Liberal Democrat peers in the House of Lords, who could cause problems when it comes to implementing any legislation that the government has planned, especially if they are able to gain support from Labour and Crossbench colleagues.

The government of the day always likes to make sure that the Queen's Speech contains as much party political messaging as possible and today was no different, although stopping short of the Queen actually saying 'long term economic plan', she referenced the government helping hard 'working people' and building 'one nation'. There was also clear evidence that the Conservatives no longer felt constrained by their ex Lib Dem coalition partners with further welfare reform announced.

Overall the message was clear, and one that was regularly chanted during the last parliament, the government wants to help those who work hard. With an EU Referendum planned in the next two years and further legislative powers being devolved from Westminster, it could be a very different Queen's Speech in 2020.

For a full copy of the Queen's Speech please click [here](#).

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