



ACCA Guide to Parliament

The stages of a Bill through Parliament

Context

ACCA engages with legislation, providing briefings on the key stages of Bills where we have expertise or where they impact on our work. These include Bills such as the annual Finance Bill, for example. We do this by meeting MPs, Peers and Ministers and responding to the relevant consultations. We use our expertise and experience in areas such as tax and finance, to work with governments, donor agencies and professional bodies to ensure that legislation assists in our overall aim of developing the global accountancy profession and to advancing the public interest.

The stages

Although legislation may be introduced in either House, bills usually originate in the House of Commons, the more powerful of the two Houses. Those that are introduced into the House of Lords will be those that the Government considers to be uncontroversial.

The supremacy of the Commons in legislative matters is assured by the Parliament Acts. Among other things, these ensure that the House of Lords may not delay most public bills that originate in the Commons for more than two parliamentary sessions (one calendar year).

According to the Salisbury Convention, the House of Lords does not oppose legislation promised in the Government's election manifesto.

The stages of a Bill as it makes its passage through Parliament are as follows:

1. The Queen's Speech

The Government's legislative programme is announced in the Queen's Speech (written by the Government), at the start of each Parliamentary session, known as the 'State Opening'. The State Opening usually takes place in November or December. There is also a State Opening shortly after a general election. The speech does not set out the entirety of the government's programme, however. The Budget, and its recent addition the pre-Budget report, have also been increasingly used to set out strategy and announce new measures. In addition to the plans set out in the Queen's Speech, the Government might agree to add extra Bills -

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including those proposed by 'Private Members' who come high on an annual ballot each year - to its own programme. Bills that are announced in the Queen's Speech have often already been consulted on by the Government. If not, then there will be opportunity for organisations such as ACCA to input at a later stage.

2. Pre-legislative Scrutiny (not all Bills go through this stage)

A Draft Bill is a Bill that has not yet been formally introduced into Parliament. It will often be considered, either by a departmental Select Committee or a Joint Committee formed especially for that purpose. This allows MPs who are specialised in the subject to have early influence on the legislation. It also gives interested organisations such as ACCA the opportunity to submit written evidence to the committee, which will then hold oral evidence sessions in public.

The purpose of pre-legislative scrutiny is to examine draft legislation and, on the basis of consultation, to recommend improvements before a Bill proper is introduced into Parliament. At the same time such pre-legislative scrutiny can be of real benefit to the Government. It could, and indeed should, lead to less time being needed at later stages of the legislative process. The process is intended to lead to better legislation and less likelihood of subsequent amending legislation.

Pre-legislative scrutiny is a relatively new procedure. The commitment to it was given by the Government in 2003 as part of the 'modernisation agenda'.

3. First Reading

First Reading is largely a formality. It is when the title of a Bill is announced and copies of it are distributed. In the case of a Government Bill, explanatory notes are also ordered to be printed.

Many Private Members' Bills fail at this stage, but it does give the MP sponsoring the Bill the opportunity to draw public and governmental attention to the matter and to express why they feel the legislation is needed.

4. Second Reading

This is the key stage when the House debates the general principles contained in the Bill in full. The Minister or Ministers lead the debate, while the relevant Shadow Ministers from the opposition parties hold them to account and try to get them to agree to amendments. It is very rare for a Government Bill to be denied a second reading. ACCA briefs key Ministers, Shadow Ministers and other interested MPs in advance of Second Reading for all relevant Bills.

5. Committee Stage

Most Bills will then pass over to a Bill Committee which is constituted for the

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specific purpose of dealing with Bills. It consists of approximately 18 MPs and reflects the state of the parties represented in the Commons. At the Committee Stage, the Committee or the House, which can itself sit as a Committee, subjects the Bill to a thorough line-by-line examination and makes amendments where necessary, however, major amendments are usually rare, due to the built-in Government majority in the Committee make-up.

6. Report Stage

At Report Stage, also known as 'Consideration', the Bill that has been amended during the Committee Stage is reviewed. All members of the House have an opportunity to speak and vote at this stage, making it distinct from the Bill Committee Stage, where the scope for debate is limited.

7. Third Reading

Third Reading is usually taken directly after the conclusion of Report Stage. Here, the House looks at the final version of the Bill in its entirety. This stage is usually quite brief, as no major amendments are made to a Bill passed on from the Report Stage. If substantial amendments are demanded, the Bill has to be sent back to the Committee for further consideration.

(Note: some Bills are also subject to 'guillotine motions', that is, debate on a Bill is limited so that it can be quickly enacted. This mainly occurs if the Government has called a general election and wishes to use its majority in the Commons to rush through parts of its legislative programme.)

8. Lords Stages or 'Passage'

Once a Bill has completed its Commons stages, it is sent to the Lords, usually on the next sitting day. The Lords stages are similar to the various stages of the Commons. Changes to a Bill in the House of Lords after it has completed all its stages in the Commons will necessitate an extra stage in the Commons, called Lords Amendments Considered, in order to approve or disapprove of any amendments made by the Lords. The Commons accepts around 90% of these Amendments because they are generally not controversial.

The Lords may delay a Bill if, for example, it feels that there is no popular mandate for it. The Parliament Acts of 1911 and 1949 limit the delaying power of the Lords to thirty days in the case of Money Bills and up to one year in the case of other Bills. Unless the House of Commons invokes the Parliament Act, both Houses of Parliament must agree on the final text of the Bill.

9. Ping pong

A Bill may travel backwards and forwards between the two Houses several times. This is known as 'ping pong'.

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A deadlock is reached once each House has insisted on its position without proposing some alternative. If the Houses cannot agree, then the bill is lost, unless the Parliament Acts are used. Once all points of disagreement are resolved, the Bill is ready for Royal Assent

10. Royal Assent

Royal Assent or the 'Royal Veto' is when the Crown formally assents to the Bill in order for it to pass into law. The Sovereign, as the third pillar of Parliament (along with the Commons and the Lords), must give consent to a Bill for it formally to become an Act.

While the power to withhold Royal Assent was once exercised often, it is almost never exercised under modern constitutional conventions.

PAMR

ACCA's Public Affairs and Media Relations (PAMR) department is based in the UK, co-ordinating with colleagues in local offices. We also have an office in Brussels and a permanent staff member in Ukraine, focussed on Central and Eastern Europe.

The PAMR team aims to ensure that the views of our global membership are reflected in the world's media, and that issues of concern to finance professionals and the wider business community are raised with governments and regulators in order to protect and enhance ACCA's reputation and to increase our influence.

The Public Affairs team exists to protect and enhance the reputation of ACCA with government, policy advisers, key civil servants and other political and business stakeholders. It aims to build positive relationships with key decision makers, and to influence and inform legislation and policy ensuring the best possible outcomes for ACCA's work. We lead on all engagement with Parliament, monitoring Parliamentary activity and providing advice to colleagues.

The Media Relations team works to provide timely and useful comment to the world's media on key issues affecting not only the accounting profession, but business and personal finances. Our global network of offices engaged in communications ensures that every day of the year ACCA is offering wide ranging responsible advice or commentary on key issues on every continent.

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