

PRIME MINISTER

C P R S

YOUR MEETING WITH SIR ROBERT ARMSTRONG AND MR SPARROW TOMORROW

There are two separate, but connected, categories of question to be discussed at this meeting:-

1. The CPRS Work Programme

You have just had Mr Sparrow's note of the discussion at Sunningdale - FLAG C in the string immediately below.

Should CPRS be moving away from big "projects" in the direction of more briefs on day-to-day issues ?

Should they be collective briefs or briefs for you individually ?

What is to be done on the four outstanding specific questions about the CPRS work programme - state monopolies report, further education, trade unions and the black economy - set out in Michael Scholar's minute of 19 November ? (also in this folder).

2. CPRS Staffing

Is it too big ? If so, how and at what rate should it be run down ?

Should Mr Caines be appointed Deputy Head of the CPRS ?

F.E.R.B.

29 November 1982

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To: PRIME MINISTER

25 November 1982

From: JOHN SPARROW

1. Last weekend the CPRS held a twentyfour hour internal conference at Sunningdale. Such a conference has been an annual event for some years, normally held in the Spring but postponed this year because of the timing of the handover from Robin Ibbs to me. The session is essentially informal, its chief purpose and merit being to allow all of the CPRS to discuss a handful of topics and in so doing to strengthen team spirit and arrive at a clearer understanding of our job. I was doubtful beforehand whether the conference would prove to be worthwhile, but in fact I believe it to have been very successful, the time we had to clarify our thoughts resulting in everyone coming away with a clearer sense of what the CPRS is trying to do and how we should set about doing it. We were not seeking, and did not arrive at, any dramatic policy insights.

2. Our first two sessions were devoted to internal objectives and organisational matters. Clearly the focus for our work is the strategy which the Government is pursuing, and within that the policy objectives of Ministers. For this we need continued close contact with Ministers, and particularly with you. A major part of our work is in interpreting Government strategy to officials at a formative stage and in commenting on proposals when they reach Ministerial discussion; we should not get too closely involved in detailed departmental work or in the implementation of Ministerial decisions once made. Within a framework of priorities set by me and my senior staff, individuals should be encouraged to follow up special interests, although newcomers will obviously need rather more formal guidance.

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3. We came to the conclusion that the CPRS is most effective in helping Ministers when it concentrates on action-oriented work, such as collective briefs. We felt that we were devoting too much of our resources to longer term studies, which is a point to which I will revert later in this note.

4. We had an after dinner discussion of Britain's place in the world. This was a rehearsal of familiar arguments about our relationships with Europe, with the USA, with the Commonwealth and the Third World; and of the political and economic implications for trade, defence and aid. The discussion was stimulating but inconclusive, as perhaps one might expect.

5. Finally, we had two sessions on the creation and distribution of wealth. Given that the creation of wealth is most likely to occur when Government adopts a minimal role in providing law, defence and a welfare safety net, the crux of the discussion was the extent to which political, social and distributional reasons for greater Government involvement justified the reduced rate of wealth creation that that would cause. The debate covered taxation, trade policy, public purchasing, the provision of care for those in need, and assistance (carefully targeted and monitored) to emergent industries. This led to the question of employment and the need for a high-technology and highly-paid primary sector to be accompanied by an increase in ancillary services and perhaps by changed attitudes to employment in the household sector, together with the familiar problems of achieving wage rates that will enable the labour market to clear.

6. Over the last month or two I have been giving some thought myself to the activities of the CPRS. So far as I can tell, its original concept did not include the current practice of having anything up to half a dozen major studies in progress alongside the continuing work of reviewing particular problems and proposals in the light of the Government's overall strategy. Of course, the CPRS must continue

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to do major studies which are commissioned by you or which you agree are sufficiently important to be undertaken. However, where these studies are concerned, I see no virtue in numbers alone and I think that we need to have a much clearer idea than hitherto of the benefits that we are seeking from major studies - including among those benefits providing the CPRS with a clearly thought out background to future specific work. I have noticed that some of the things that we have been doing have been paralleled by public debate; some have pointed to a framework within which action decisions can be taken rather than to specific action in the first place; and some have had considerable value in terms of clarifying our own thinking without necessarily requiring a great amount of Ministerial consideration. Despite its sometimes turbulent history, I think that the Unemployment Study ended up as a fairly good model, in which a number of specific recommendations and ideas for further detailed consideration were remitted by you to the Departments most closely concerned, to be pulled together again when those Departments have reported. The Black Economy study gave an added perspective to unemployment and to other problems, and I believe that some of its recommendations are under consideration. The State Monopolies study had considerable value internally in clearing our collective mind, but needs to be followed up.

7. Of the present crop of proposed studies, I believe that the Pensions study is one in which the CPRS can crystallise Ministerial thoughts on a number of major problems, and I regard the Higher Education study in the same light. I find more difficulty in seeing where we are going with the Union study, because Ministers already have a clear idea of what they want to do in this field and we may not be able to add enough to make the exercise worthwhile. Where I believe we can make a very real contribution, on an increasing scale, is in helping to refine and subsequently put into perspective the constant stream of papers on current issues across as wide a range of Government activity and policy as we can cope with.

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8. I believe that morale in the CPRS is currently high and that our perception of our role is clearer than it has been. However, I want to be as clear as possible about what you want from us and, in view of the number of matters that currently need resolution (not least the identity of a successor to my Deputy), I would welcome an early discussion with you, if only to provide you with a framework within which to think further how you wish to use us. If we are to work successfully for you, I continue to think that I will need a short discussion with you every two or three weeks, in order to confirm priorities and to keep you informed of what we are doing.

JS.

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