Pl. file CONFIDENTIAL Qa 06341 PRIME MINISTER To: From: JOHN SPARROW CPRS Work Programme As I mentioned in my minute of 7 April, we have been giving some thought to our future programme of work. As a first stage, we have sought to identify the major problems that are likely to concern Government over the next five years. These are listed in the attachment to this minute. In a number of the areas listed there is a continuing role 2. for the CPRS as a result of work done during your Government's first term, and in others our responsibilities to you and to the Cabinet will require us to be involved. In a number of cases, we would not claim to be able to make a sufficient or unique contribution (or to have the time) to justify taking a lead position. Indeed, we would not want to cut across the responsibility of individual Departments to take the lead on issues which lie wholly within their field, though we would be willing to assist if any Department felt that we could make a useful contribution. In the last few years we have rightly devoted less of our effort 3. to major long-term set-piece studies. I believe that we serve the Government best by devoting our main effort to trouble-shooting and advice on day-to-day policy issues in all fields, linking them to the But there is a range of work Government's main strategic objectives. lying between these two extremes which I suggest merits some effort: relatively quick think pieces on selected topics in order to identify and clarify issues and to suggest possible paths towards solutions. All this leads me to the proposal that the CPRS should, over the next few months and in addition to the normal day-to-day business and the follow-up to our work on pensions, education and intellectual 1 CONFIDENTIAL

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property, give some thought to the following items out of the list in the attachment:

- (a) Economic policy measures to support and secure the recovery
- (b) Long-term prospects for employment
- Public expenditure in the longer term
- (d) Taxation
- Competition policy
 - Infrastructure investment
 - Inner city problems (g)
 - (h) The balance between public and private research.

Examination of some of these might lead us to put forward proposals for some more major CPRS study.

There are five further possible topics (not included in the list) 5. which fall short of 'major' but on which we might play a useful part,

For AV (b) Performing rights (a request from the Lord Chancellor)

For AV (i) Agriculture and food (balance between consumers and producers, impact of innovation, balance between agriculture and environment, trade implications)

(d) Housing (b.

- for mobility)
- (e) Pollution and industry.
- When we meet on Monday it would be useful to have your reactions to these suggestions and to know whether you have other items which you want us to cover.
- I am sending a copy of this to Sir Robert Armstrong. 7.

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MAJOR ISSUES FOR THE NEXT FIVE YEARS

- 1. Economic policy measures to support and secure recovery.
- 2. Long-term prospects for employment.
- Measures to improve labour market inflexibilities (e.g. wage rigidity, labour immobility, poverty and unemployment traps in the tax and benefit systems).
- 4. Public expenditure in the longer term (commitments, priorities, 'good' and 'bad' public expenditure).
- Taxation (in particular the interaction of taxation with other policies such as industry, housing).
- 6. Trade policy (the costs and benefits of protection and the interaction between trade policy and industrial policy).
- 7. Competition policy (is there a need for clearer guidelines?)
- 8. Continued efforts to reduce the size of the nationalised sector and to improve its efficiency.
- 9. Railways (the issues raised by Serpell).
- 10. Is investment in the UK's infrastructure commensurate with the nation's future needs?
- 11. Regional policy.
- 12. Inner cities.
- 13. The balance between public and private research.
- 14. Measures to make the European Community work more consistently with UK interests.

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Main Issues cont'd.

- 15. Family Policies (continuing work to strengthen the social fabric through emphasis on the individual and family).
- 16. Education (e.g. the issues to be identified in our report, plus the links between education, training and the world of work).
- 17. Pensions (e.g. the issues identified in our report).

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