

PRIME MINISTER

CPRS

*F3, which they are doing  
this is far too heavy  
staff. The sooner we cut  
down the better. The Policy Unit  
knows it more with  
Jan Levin  
people  
not*

I attach this weekend's clutch of papers on CPRS:-

- (i) a minute from Sir Robert Armstrong about the appointment of Mr. Caines as Deputy Head of CPRS - Flag A;
- (ii) a list of all CPRS staff with the terminal dates of their appointments where these are fixed - Flag B;
- (iii) Mr. Sparrow's report on the outcome of CPRS' own discussion at Sunningdale about their work - Flag C.

You already have Michael Scholar's submission about the four CPRS remits on which they are asking for your approval. Perhaps I may add these comments on these papers.

Sir Robert Armstrong is pressing very hard for Mr. Caines' appointment for the reasons which I mentioned to you at lunchtime and which are set out in his minute. There is a lot in the argument that an outsider, who is Head of CPRS, needs an experienced Whitehall hand as his deputy; and it is difficult and embarrassing to hold up the appointment when Mr. Caines has been told about it and wants it. But I must in all honesty say that, as is evident from the list at Flag C, there are already two others at Deputy Secretary level in a staff of 20 in the CPRS and one between Under Secretary and Deputy Secretary; and at Under Secretary level is Graham Hart who was Private Secretary to the Secretary of State for Social Services from 1972 to 1974 and is certainly an experienced Whitehall hand.

On the list of staff, I have asterisked 6 whose appointments expire over the next 6 months and one who does not arrive until January. So there is scope for early reductions.

/ If it was



If it was agreed to get the staff down further, it would no doubt be possible to negotiate the earlier return of some of the others.

who?  
On the work programme, Mr. Sparrow suggests that CPRS should put more effort into briefing on papers coming forward. If they could give you briefs of the sort so successfully prepared by Mr. Mount and Mr. Vereker, in areas not so far covered by the Policy Unit, I believe that this would be useful to you: Michael Scholar has suggested that areas on which CPRS could contribute briefs are

- Industrial Policy: comments on proposals concerning nationalised industries corporate plans, structure, ownership, strategy and specific closure or sale issues, e.g. Invergordon, Inmos, Britoil
- Trade policy
- High technology projects, e.g. fast breeder policy, cable.

On larger studies, I think your view is that, if CPRS is to do useful work, it must be based on more research and fact-finding, and not just "bright" ideas. You should have in mind that, if CPRS is to go out and find facts, their studies need to be on subjects which you do not mind it being known outside that they are working on.

I am afraid that the time has come when you need to have a talk with Mr. Sparrow as well as Sir Robert Armstrong. A decision that Mr. Caines should not join CPRS and that the staff should be reduced would represent a major change in the direction of CPRS. But there are positive points you could make:

- if the work of CPRS is to be interesting and worth while, we must decide what their contribution is to be and then staff them accordingly;

/ - there are



SENIOR STAFF IN CONFIDENCE

- 3 -

- there are natural changes coming up in their staff which we should use to get their size and composition right;
- a smaller staff would enable you to have a more personal contact with them.

It will be a difficult meeting, but I am afraid that things will get worse if the nettle is not grasped.

*Yes*  
I happen to be having lunch with Mr. Sparrow on Monday. Shall I say <sup>then</sup> that we will fix up a meeting for Sir Robert Armstrong and him with you? Are there any points you would like me to make to John Sparrow, perhaps acting as a stalking horse?

*FR.R.B.*

26 November 1982





Ref. A082/0257

MR BUTLER

Deputy Head of the Central Policy Review Staff

I sent you a minute on 9 November, recommending the appointment of Mr John Caines to succeed Mr A M Bailey as Deputy Head of the Central Policy Review Staff.

2. We have since discussed this question in two contexts: the future of the CPRS, and the range of appointments which we have under consideration. As to the future of the CPRS, I think that Mr Sparrow may shortly be reporting to the Prime Minister his view, following discussion with his colleagues in the CPRS, that the balance of the CPRS's work ought now to shift, so that they are less committed to major studies and do more by way of providing briefs on current issues for Ministerial consideration. In order that these briefs may be well-informed, they will still need to undertake studies and collect information; but the product would emerge more in the form of briefs, both collective briefs and briefs for the Prime Minister, on current issues for decision than in the form of the studies themselves.

3. It may well be that some reduction in the numbers of the CPRS would be consistent with a shift of emphasis of this sort. Even so, the CPRS will continue to need a Deputy Head, and will continue to need a Deputy Secretary of quality and experience in the Whitehall machine to support Mr Sparrow.

4. Mr Bailey is now due to return to the Treasury the week after next. Mr Sparrow is becoming anxious about the succession. Mr Caines is his own choice; and Mr Caines has been approached, and is ready and indeed expecting to serve. There is no doubt that it would be good for Mr Caines's career development to have experience in a central post of this kind. The discussions which we have been having on other appointments suggest that we are not likely to want Mr Caines for any of those.





5. I hope therefore that we may settle this appointment, and that the Prime Minister may agree that we should now confirm and announce the appointment of Mr Caines to succeed Mr Bailey as Deputy Head of the CPRS, and the appointment of Mr C W Roberts, as a Deputy Secretary, to take the vacancy in the Department of Trade created by Mr Caines's move.

A handwritten signature in dark ink, appearing to read 'RA'.

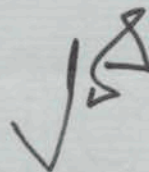
ROBERT ARMSTRONG

24 November 1982



MR BUTLER

I attach a list of CPRS staff as you requested. The information we have readily available about background experience is a little sparse but we have included what we have. As you will see the date of return to parent organisations is imminent in a number of cases. As is usual the CPRS top management have been head hunting for replacements and I do not yet know which areas (business, industry, Civil Service, etc) any replacements are likely to come from.



J W STEVENS

26 November 1982

Enc



CENTRAL POLICY REVIEW STAFF

NAME	DEPT/ORGANISATION	GRADE	BACKGROUND/EXPERIENCE	DATE OF RETURN
J Sparrow (Head of CPRS)	Morgan Grenfell & Co Ltd	Perm Sec level	Banking/Finance	April 1985 (if full 3 years)
A M Bailey (Deputy Head of CPRS)	Treasury	<u>Dep Sec</u>		1.12.82
Dr R B Nicholson (Chief Scientist)	INCO Europe Ltd	<u>Dep Sec level</u>	Lecturer and Professor Metallurgy then in Business	November 1984
D D Green (Head of Nationalised Industries Review Team)	ICI	<u>Dep Sec level</u>	Industry/Commerce	July 1985 (if full 3 years)
G Wasserman	Home Office	Under Sec	Economic	
G A Hart	DHSS	Under Sec		April 1985
Miss C S Rycroft	FCO	Asst Sec		<u>December 1983</u>
Miss E A Mackay	Scottish Office	Asst Sec	Regional Industries/ Housing	May 1983
C B Beauman	Formerly British Steel Corporation	between Under Sec & Dep Sec level	Commercial/City/ Nationalised Industries	Period appointment ends February 1983 *
J H Rickard	Trade/Industry	Sen Economic Adviser	Economic	29 November 1982 * to Public Enterprise Analytical Unit, Tsy
Dr R J Gibbs	DHSS	SPSO	Health Service Hospital Services	29 November 1982 * DHSS
Miss J Youde	} National Coal Board		Capital Investment, Energy Policy	February 1983 *

NAME	DEPT/ORGANISATION	GRADE	BACKGROUND/EXPERIENCE	DATE OF RETURN
G Mackenzie	Tube Investments Ltd			March 1983 *
J B Stuttard	Coopers & Lybrand Ltd		Accountant	November 1983
D Pascall	British Petroleum		Economic and Market Assessments (particularly Japan)	March 1984
M J Elliott	LSE		Legal (Labour Law, Constitutional and Administrative Law)	June 1984
B Taylor	MOD	Asst Sec		Due to arrive * January 1983 for 2 year period
Dr P T Davies	Science & Engineering Research Council (SERC)	PSO	Computing Science, Manufacturing technology background	June 1984
W E Martin	Industry	Econ Adviser	Economic	March 1983 *
C Williams	Treasury	Econ Adviser	Economic	June 1984



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Qa 06157

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.

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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.

J.S.