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PERSONAL



10 DOWNING STREET

7 July 1983

The Rt Hon Cecil Parkinson MP  
Chairman  
The Conservative Party  
32 Smith Square  
LONDON SW1

Dear Cecil,

Very sorry that I cannot come to the gathering tonight. I thought it might be useful to do a note on the Policy Unit view, which I attach.

I have sent copies to Michael Alison, Stephen Sherbourne, Peter Cropper and Michael Spicer.

Yours ever  
Ferd

FERDINAND MOUNT



7 July 1983

RESEARCH IN THE NEW PARLIAMENT

What will the Policy Unit be doing?

We intend to do much the same as before, but to use the new 3/4 recruits to do it better and in greater detail. Briefly, we see our job thus:

1. Reacting to papers for Cabinet and Cabinet Committees, Ministerial correspondence and any other Government documents which pass through this office. Our task is to alert the Prime Minister to dangers and to opportunities for emending or strengthening Government policies, and to act as long-stop on mistakes which have evaded other pairs of hands.
2. Initiating new ideas, reviving neglected ones and prodding dozy departments. Here, as elsewhere, we tend to give advice to the Prime Minister and her private secretaries rather than attempting to intervene off our own bat, although naturally we try to keep in touch with Ministers and officials.
3. Taking part in official discussions. This helps to make official and mixed groups aware of the Prime Minister's general attitude at an early stage in policy formation, and also enables us to give her an idea of the way things are going.

We also try and offer some long-term strategic advice about the general direction of policy, and we carry out various political chores, such as helping with speeches and occasionally with tricky letters.

As there were only four of us, we have had to give only cursory attention to large areas of policy, notably to the detailed management of nationalised industries, corporate plans etc. In fact, we have left much of this public-sector work to the CPRS, and it is this deficiency which will be remedied by taking on from the CPRS David Pascall from BP, who has been doing the public energy industries and defence (another area we have had to neglect); and Bob Young from Vickers, who has been doing the manufacturing public-sector industries (BL, BS, etc).



What should the Research Department do?

CRD is now very depleted, I understand, both in numbers and in experience by the departure of special advisers and others. Clearly, in order to build up a staff which will be able to repeat the Department's magnificent performance at the last Election, there must be a breathing space to concentrate on rebuilding its capacity to carry out the normal work of the Department: the briefing, secretarial and pamphleteering service. To try and add on to this simultaneously a new or revived capacity to carry out research would not only be expensive, but probably too confusing to be effective. But during this period of "normal" rebuilding, we ought at least to look at the shortcomings in our overall research arrangements and see what part the CRD might play. I have not yet seen Jan Hildreth's report, but some general reflections about what is wrong might help.

The gaps in what we have now

I think useful policy research can be divided into three parts:

- i. working out sensible and practicable ideas;
- ii. introducing them into public debate and softening up public opinion ("making the unthinkable commonplace"); and
- iii. providing the thrust and expertise to carry these ideas through into policy commitments in face of departmental opposition or inertia.

We are quite well served for the first two functions: the Centre for Policy Studies, the Institute of Economic Affairs, the Adam Smith Institute, the Institute of Directors and even the CBI all help sympathetic journalists and the more lively Conservative MPs, as well as our <sup>party</sup> own/publications, to ventilate new ideas and familiarise the public with them. The difficulty comes when these ideas have become acceptable enough to be considered by Government. The CPS has certainly understood that there was a problem here, and has often tried to take part in discussions with Ministers in order to carry the external impetus through into the Government machine. These efforts have been largely unsuccessful. They have either irritated Ministers or led to leaks which have necessitated



prompt denials, thus preventing even modest progress in a desirable direction. The truth is that a political research organisation cannot really exist half in and half out of Government. Either it must have the real independence which is needed for total candour, or it must accept the need for discretion which goes with institutional integration.

But the problem remains. In the Policy Unit, we feel it acutely when we are dealing with a department in which there is no special adviser, or the special adviser is too busy or has been relegated to political dogsbody and is unable to take part in policy discussion. In such cases, the Minister inevitably tends to rely on the collective advice of his department where this conflicts with the aspiration which we hope to translate into policy. We have found that for a serious and sustained discussion of a policy which otherwise would be written off as "too difficult", you need:

- a. A sympathetic and determined Minister.
- b. A "critical mass" of special advisers, whether drawn from inside the relevant department or elsewhere. The reason is that we are the only people who have an overriding interest in exploring the practicability of a policy as far as possible.

The honorary adviser solution

Given the limit of one special adviser per Minister, the solution which I find attractive is to recruit and appoint one or two more honorary special advisers. These could well be appointed as they have been in the past, from among the more talented and/or experienced members of the CRD. Indeed, this might be regarded within the CRD as the most real form of promotion. It should be done on an entirely ad hoc basis, as and when the need and the candidate coincide.

The honorary adviser has the freedom to take advice widely, eg from the professional lobbies and from the back-bench Conservative MPs. But he also can sit on departmental committees and enjoy full access to departmental papers and to the Minister. This, I believe, is the neatest and most economical way of closing the gap between party political idea and Government policy. I



feel that efforts to set up research units within the CRD would inevitably be frustrated. They would find it difficult to keep in touch with the progress of Government policy. Not only might they be denied access to Government papers, they would not have the chance to argue face to face with officials and Ministers over the whole period during which a policy was being formed. To be effective, advisers must be physically on the inside.

When the party is in opposition, on the other hand, the CRD must become a real research department.

FM