

PROJECT PHOENIX

REPORT

THE FUTURE OF THE CONSERVATIVE AND UNIONIST PARTY

The Conservative Party has been the most successful party in British history largely because it has demonstrated that it is a party of governance, capable of marshalling the nation's finances effectively; that it has strong leadership, characterized by statecraft; that it is united in its goals; and that it is driven by public interest, not self-reward. In recent years, it has lost public support because instead it has been disorganized, divided, and directionless, enabling its opponents to steal its political clothes.

Our working group of experienced peers was appointed by the Chairman of the Association of Conservative Peers, Lord Forsyth of Drumlean, with Lord Norton of Louth acting as Convenor. The task, named Project Phoenix, was to take oral and written evidence from Conservative peers and to produce evidence-based recommendations, similar to a select committee report, for action to enable the Party to reclaim the mantle of a, indeed the, party of Government. More than eighty peers submitted evidence. Those doing so were notable not only for their number, but also for their wealth of experience of the Conservative Party at national and constituency level. Our own group includes members who have held senior office in the voluntary and professional wings of the party, as well as the parliamentary party in both Westminster and Holyrood. Short biographies of each of the members of the group are included in the appendix.

Our role has not been to address policy. Indeed, rushing in to produce policies has been part of the problem in previous periods of opposition and sometimes government. There has been a surfeit of policies, but no sense of direction.

We have also not sought to define the Conservative Party in terms of where it stands on the political spectrum, nor what it needs to do to counter the challenge of other parties or movements. We believe strongly that the party should avoid that temptation. It is a case of being the Conservative Party.

The responses showed a need for a re-statement of the core values of the Party – basically to maintain the King's peace at home and to defend the nation against external threat; to uphold freedom and responsibility; to promote a free enterprise economy; to ensure the nation's finances are on a sound footing; to provide good quality public services, with a safety net for those unable to provide for themselves; and to keep taxes as low as possible consistent with these objectives. Peers felt that those key values had been blurred by recent events, and the Party had lost its reputation for competence and integrity, leading to a dramatic fall in popular support, with the average age of a Conservative voter rising to the mid-sixties.

However, to articulate those core values and be a successful campaigning organisation, we need to ensure that we have a party that is both effective and efficient, one that is outward looking and not introspective. To achieve that, we need strong and competent leadership, a party united behind the leader, and the maintenance of high standards of probity and conduct. The party has been most successful when it has a leader able to convey a clear sense of direction, who can determine not only which policies are necessary, but which should not be pursued or not pursued until conditions are right to achieve them.

In recent years, there has been a systemic problem deriving from the inefficient and ineffective use of resources and a high turnover of senior party office-holders. The need is for stability in the party to enable it to be outward facing and winning the battle of ideas. Our recommendations are therefore directed at ensuring that we have a party that has effective processes and structures for that purpose.

Our recommendations are also designed for implementation as soon as possible within the new Parliament. We therefore make no recommendations on the rules for the election of the party leader. The new leader we expect to be in place for the remainder of the Parliament and beyond. A review of the election rules, if deemed necessary, should be the result of extensive consultation and not rushed.

The new party leader will be in a position to provide the direction essential for success. A party, though, needs more than a strong head. It needs a vibrant body. The Conservative Party is most successful when it has a keen and committed membership, broadly representative of the country as a whole, supporters who not only adhere to Conservative values, but who feel appreciated and engaged. Members are the lifeblood of the party. It is their engagement that makes for an effective party of government. It is essential that they have a voice in the deliberations and running of the party. Having a vote whenever there is a leadership election is not sufficient. Members need to feel that they have a genuine engagement in what the party is doing and that their voices are heard.

Achieving this does not require abstract thinking. In good Conservative fashion, we can draw on the wisdom of past generations. History does not repeat itself, but we can learn from it. The Conservative Party in the past has had a large and committed membership – indeed, the largest party membership in British history – and has undertaken reform in order to render it relevant to the contemporary needs of society and to ensure that its members have a voice in policy deliberations, both locally and nationally. Research has shown that

organisational changes are more extensive in opposition than in government. We therefore have the opportunity to exploit present conditions to put in place a party ready to demonstrate that it is worthy of the trust of the British people.

THE THREE PILLARS OF THE PARTY

For most of the past century, the party has comprised three pillars – the voluntary, professional and elected/parliamentary – with each fulfilling a distinct, but complementary role. It is clear from the submissions made to us that this structure was seen by members as appropriate and that it worked well. Over recent decades, the division between the three has eroded, with the party structure becoming confused and at times almost shapeless. The voluntary wing has been seen as a handmaiden of party bureaucrats and the nature of the centre more focused on campaigns (CCHQ) than on being an organisational support for the rest of the party, as used to be the case with Conservative Central Office.

We recognise the value of restoring the three as distinct pillars, each with a clear, and respected, role. We make recommendations for each. We begin, though, with matters that impact on all three:

- Leadership
- policy formulation
- training
- social media
- funding, and
- maintaining standards.

We have a maximum of three years to ensure that the party can fight the next general election as a contender for power. That means having in place both a core body for

establishing what needs to be done – creating the organisational framework for success – and having an ambitious, but realistic timetable.

LEADERSHIP

We recognise the need for clearer leadership throughout the party to ensure there are clear organisational goals and a timetable for achieving them. To provide leadership in a time when the party is badly diminished in terms of those holding elective office, we see the case for moving away from the existing discrete leaderships in different parts of the country. We also recognise the need for more agile and focused organisational direction. The Party Board is ‘the supreme decision-making body in matters of Party organisation and management’, but is viewed as too unwieldy to provide that direction. On the basis of the evidence we have received, we recommend:

- (a) Drawing together the political leaderships in Westminster and the different nations, as well as the principal leaders in local government, to complement the existing front bench team in Westminster, to discuss policy not only in the short term, responding to government, but also generating policy proposals for inclusion in the party programme.
- (b) Reforming the Party Board, enabling it to operate through small and agile committees, utilising elected members as well as members of the voluntary wing, to cover ethics and integrity as well as organisation.
- (c) Having a majority of the members of the Board directly elected by Party members as an incentive to care for the medium and long term as well as the short term.
- (d) Giving the Board responsibility for building support among students, business, trade unions, faith communities and ethnic minorities.

- (e) Generating a five-year plan for implementing the recommendations for reform, with clear benchmarks established for monitoring progress and with the Board reporting on progress.
- (f) Within the plan prioritising within the first year the recommendations for creating a leadership structure and building strength through local government, devoting resources to having candidates in place to enable the party to rebuild from the bottom up and enhance the pool of elected councillors.

POLICY FORMULATION

The party has suffered by adopting policies which are viewed as rushed, responding to particular crises, and lacking in coherence. They appear to have been generated in silos and not deriving from a process that has drawn on the expertise and experience of members. Policies should derive from the goal set by the leader. To achieve that, the leader will benefit from input from all parts of the party.

We recommend

- (a) The creation of an Advisory Policy Committee (APC) to assist the leader in generating policy proposals. That body can draw on the knowledge and experience of the different elements of the party, not just the parliamentary party and the professional wing of the party, but also those who hold or have held elective office, such as councillors, Police and Crime Commissioners, members of devolved legislatures and of local parties, not least those operating through the Conservative Policy Forum.

- (b) The formation of a strong research body located in the Palace of Westminster, to bolster research capacity. There is a need to recruit able researchers to provide support to the leader and Shadow Cabinet as well as the parliamentary party in both Houses, and to generate policy papers and discussion documents that can be disseminated through the party and more widely, similar to the publications produced in earlier decades by Conservative Research Department.
- (c) That this research body also underpin two-way contact with constituency associations, working through a revamped Conservative Policy Forum, successor to the Conservative Political Centre, with the emphasis on consultation and detailed responses from the relevant member of the Shadow Cabinet.
- (d) That the focus of the research be not only established policy areas, but also emerging opportunities and challenges, generating new ideas and policy proposals in areas such as AI, the green agenda and intergenerational fairness that impact on the section of the population that the party has notably failed to engage in recent years, that is, young voters.
- (e) That resources be devoted to commissioning input from young voters (and non-voters) to establish what they see as current impediments or opportunities to achieving their goals in life and also why they have found the Conservative Party so unappealing.

TRAINING

We believe that training should be available for candidates, constituency officers, campaign managers, and fundraisers. While the party does not have the resources to establish a training or conference centre on the scale of the old Swinton Conservative College, we believe there should be a campaign training facility, drawing on the party's professional staff

and those with campaign experience at both parliamentary and local level. The training can be provided through the use of different conference venues as well as Conservative Clubs and meeting rooms and residences volunteered by supporters, with the activity taking place around the UK, thus taking training to the candidates rather than bringing candidates to the training. Such sessions can be complemented by the use of virtual media, providing online courses as well as bespoke briefings.

We also believe that training sessions should be arranged for members of the front bench. MPs may know about politics and campaigning, but not necessarily about how government is run.

We recommend:

- (a) The creation of a campaign facility to provide training throughout the UK for candidates at both parliamentary and local level, as well as constituency officers, campaign managers and fundraisers, drawing on the party's professional staff as well as those with campaign experience at parliamentary and local level.
- (b) The appointment of a senior figure in the party to be responsible for training and engagement and to head the proposed campaign training facility.
- (c) The holding of training sessions for members of the front bench, drawing on the experience of former senior ministers, civil servants, scholars and bodies such as the Institute for Government (IfG), who already run such courses.

SOCIAL MEDIA

The use of social media is a core element of election campaigns. Conservative performance in the general election was not sufficiently professional and nimble. The party needs to be at the forefront in undertaking agile and targeted social media campaigning, exploiting new media platforms wherever possible. This requires serious investment, both in terms of infrastructure and personnel.

We recommend:

- (a) The recruitment of highly qualified professionals, with a proven track record, to complement the existing communications team to devise and implement an effective social media strategy.
- (b) The investment both in acquiring the necessary technology and in training local parties in its use.

FUNDING

The party has become overly dependent on a relatively small body of donors and not on fundraising by local party associations. Reliance on donors can also be seen as a disincentive to local parties, who are marginalised in the process.

Raising funds to enable the party to be an effective and professional body is not cost free. Fundraising should be a priority, but with targeted campaigns.

Although reliance on donors is necessary, it is important both to widen the range of donors as well as bring local parties more into the process. There needs to be greater focus on small and medium-sized businesses as well as on local fund raising.

Raising funds is necessary, but it is not sufficient for ensuring an effective party organisation. There needs to be effective leadership at the top of the party organisation to ensure that funds are utilised efficiently and effectively. We received considerable evidence that CCHQ was disorganised, uncoordinated and inefficient in the general election campaign. That served to deter donors and party activists. An organisation that is agile and efficient needs to be in place as a prerequisite to an effective fund-raising campaign.

We recommend:

- (a) That donors be sought to fund specified projects, so that they know how the money will be used, and with feedback on how it has been employed. We have identified some of the projects that qualify, such as supporting bespoke training sessions and (discussed below) the recruitment of agents.
- (b) That the party support the proposal for tax relief on political party donations of up to a specified limit, as recommended by the Committee on Standards in Public Life in the 1990s.

UPHOLDING STANDARDS

The party prides itself on being driven by a commitment to public service. The needs of the people come above self-interest. There is a concomitant need to be seen to be above reproach. It is essential for the reputation of the party, and of Parliament, that high standards are maintained and are seen to be maintained.

The standards of public life to be expected are already well established. The Nolan Principles are at the heart of public service. It is essential that the seven principles are embodied in the consciousness of all those holding public office.

We recommend:

- (a) That guidance on the Nolan Principles, and relevant codes of conduct, is embedded in the training that is made available to all candidates, constituency officers, campaign managers and fundraisers.
- (b) That all candidates as part of their written agreement with the constituency party sign up to the Nolan Principles.

VOLUNTARY

Over the past quarter-century, the party has moved from being the sum of its parts – the constituency parties – to being an incorporated national body run from Conservative Campaign Headquarters (CCHQ). The structure in terms of paid officials has moved from being pyramidal – most paid employees being regional and constituency party agents – to constituting an inverted pyramid, the number of paid staff operating at national level swamping the number of local agents.

Decision-making has shown a similar reversal, with the party being administered on a top-down basis and with local parties no longer being core fund raisers in charge of their own budgets. Individuals can now join the party centrally. The structure may be administratively convenient, but it has had a demoralising effect on members, undermining the incentive for

getting involved in the local party. This has been compounded by a reduction in the facilities for encouraging members to contribute to policy discussions, be it through a body such as a revamped Conservative Policy Forum or, more visibly, through submitting and discussion motions at party conference. Party members have almost become bystanders in their own party.

We believe that this tendency needs to be reversed. To be an effective political party, the membership needs to be engaged and it needs to be seen that joining the Conservative Party means something to the individual and offers an opportunity for meaningful engagement. The party has to be able to draw on a strong membership, not only for campaigning, but also to utilise the experience and knowledge of members. The party has a body of rich experience in its local councillors, but their skills and experience are not utilised to effect.

Local parties must be at the heart of the Conservative Party, with the professional section of the party being on tap and not on top. We begin with some core recommendations.

PARTY CONFERENCE

The annual party conference has become a showcase for the media and organisations seeking to influence the party, not a forum for the party membership to discuss issues and engage with party leaders. The focus needs to revert to the membership, local associations being able to submit motions for debate and with members being able to contribute to debate from the rostrum. There needs to be more opportunity for members to mix with party leaders and parliamentarians.

We recommend:

- (a) That up to half of the time of the party conference be devoted to the discussion of motions submitted by local parties, with party members having the opportunity to seek selection to make short speeches, with a Shadow Cabinet minister responding, and with the opportunity for some motions to be voted upon where there is a clear division of opinion in a voice vote; and that the opportunity for major speeches by major figures, other than in responding to debates, be provided by bodies such as the Conservative Policy Forum.
- (b) That, within the conference, structured meetings take place where members of the front bench meet councillors and other elected officials, such as police and crime commissioners and members of devolved legislatures, to discuss issues raised by those elected officials.
- (c) That the conference itself be held over a long weekend, to make it easier for members to attend, and be held in a location with a good supply of affordable hotels.

PARLIAMENTARY CANDIDATES

We heard of clear dissatisfaction with the way in which candidates were selected, with some associations undertaking their own due diligence tests, on occasion with surprising results. There was no systematic training and mentoring of candidates once selected. Late decisions by some sitting Members to stand down produced a rushed process, with some candidates being imposed, generating local discontent and in some cases an unwillingness to campaign.

The retention of existing boundaries for the next election means that constituency associations are in place. It is thus possible to plan ahead.

We recommend:

- (a) That an audit of constituencies be undertaken, on a constituency-by-constituency basis, by a team with experience of campaigning and selection procedures, to identify where resources need to be focused to strengthen associations, especially in areas with target seats.
- (b) That in the target seats deemed core to achieving success at the next election, the candidates be selected early as a priority, with the local party provided with generous resources in return for an agreed works programme, regularly assessed.
- (c) That candidates for all seats must normally be selected within the first three years of the Parliament to give them time to nurse the seat and ideally much sooner in order to provide a leadership role in recruiting members, fundraising and campaigning.
- (d) That candidates should to be selected for the candidates' list through a rigorous selection process, with different methods of scrutiny utilised (interview panel, discussion session, one-to-one with a party vice chairman or similar) and with party officers and elected officials, such as constituency officers and council leaders, being proactive in identifying potential candidates and encouraging them to put their names forward. Preference should be given to those who hold or have held significant positions of responsibility in the community, locally or nationally, as well as those who have excelled in their chosen field, be it business or the professions.
- (e) That the choice of a candidate must normally rest with the local constituency association, which should also have the discretion to include in the selection process one or more candidates not on the candidates' list and, if selecting a candidate not on the list, to nominate them for approval for inclusion on the list.

- (f) In circumstances where a candidate has to be selected at very short notice, for example, where a sitting MP announces their decision to stand down when an election is called, the local association must be offered a shortlist of at least three names. Even then, other than in by-elections, the association must have the option of selecting a candidate not on the list.
- (g) Once selected, there needs to be training for candidates (campaigning, developing contacts and engaging with local interests) through the proposed campaign training facility and, as part of or in addition to that, being brought together for sessions to get to know one another and share ideas and experience.
- (h) A candidate must have a written agreement with the constituency party as to the commitment that will be made to campaigning and working in the constituency and the support that will be provided by the local party.

Constituency parties should also be able to call upon the support of senior party figures from CCHQ and in the area in organising selection procedures and MPs in the area to assist in mentoring the candidates once selected. CCHQ must also have the resources to ensure that a full due diligence check is made of all candidates.

LOCAL GOVERNMENT CANDIDATES

We recognise the importance of local councillors to the health and future success of the party. We make recommendations below for strengthening their role and status within the party. Local parties should devote time and resources to encouraging party supporters to stand for elective office.

We recommend:

(a) Given the importance of local elections, as well as elections to devolved bodies, local parties should be encouraged, and supported, in recruiting candidates and that resources be focused to ensure that even more seats are contested in 2025 than in 2024.

(b) Selection of candidates should begin as a matter of urgency so that they are in place well in time for the 2025 elections, and indeed for any more immediate by-elections, with candidates encouraged to nurse seats and activists utilised for delivering literature.

PROFESSIONAL

PARTY OFFICERS

One of the problems in recent years in terms of party organisation has been the remarkable turnover in the number of party officers, not just the party chairman, but also deputy chairmen and vice-chairmen. There have also been several changes in the remit accorded each. In part, this flows from the number of party leaders in recent years. Leaders have not only made changes to who holds office, but also in their portfolios. This contrasts with the fixed-term positions and clear roles of the officers of the voluntary side of the party, such as the chairman of the National Convention. For those leading the voluntary party, it is difficult to plan in conjunction with party officers when the latter, and their roles, keep changing.

The need for greater stability, both in terms of personnel and functions, is pressing.

We recommend:

- (a) That the party chairman, deputy chairmen and vice-chairmen should be expected to be in office for a minimum of two or three years.
- (b) That party vice-chairmen be appointed for candidates, local government, young voters, and training, thus reflecting the importance accorded to each by the party and the need for structured leadership to focus on each.
- (c) That those appointed as party officers should be senior and respected figures with appropriate experience, rather than those keen to make their way up the promotions ladder. They need not necessarily be MPs at all, with former MPs, peers, and those who have served in local government (the categories are not mutually exclusive) forming a valuable repository of knowledge and experience. The party chairman in particular needs to be able to speak truth to power.

PARTY AGENTS

The party historically outshone its opponents in campaigning locally because of the extent and professionalism of agents. The days are long gone when the party can afford to have paid agents in most constituencies. We have reached a situation where campaigning is largely directed from the centre. Local knowledge is not always utilised. We need to devolve more organisation responsibility to regional and local level. Priority needs to be given to raising funds to have agents, not necessarily in constituencies, but in areas, especially where there are key seats.

We recommend:

- (a) That funding priority be given to having agents, paid or part-time, in parts of the country where there are target seats close together, with the agents having

responsibility for helping with recruitment, organisation and campaigning, for local as well as parliamentary elections.

(b) That agents assist especially with recruiting new members and in encouraging recruitment of new blood in officer roles to ensure new ideas and avoid the same people dominating.

(c) That a dedicated forum be created for party agents to share knowledge as well as liaise with party officers and leaders, and feed in their views to the Party Board, and that their knowledge be drawn on in identifying where party activists may best be deployed to maximise electoral impact.

ELECTED/PARLIAMENTARY

CONFIDENCE VOTES

The rules for the election of the leader are a matter for consultation, with any change to apply in later Parliaments. The rules for initiating a vote of confidence in the leader apply in this Parliament. We believe they merit revisiting. The threshold for triggering a confidence vote – 15% of the parliamentary party writing in confidence to the chairman of the 1922 Committee – has proved a recipe for instability, letters submitted by a few disgruntled MPs being sufficient to attract media attention. The anonymity of the process leaves it open to media speculation as to how many letters have been sent. A running commentary, however inaccurate or mischievous, undermines the position of the leader. We believe that a challenge should only be possible when called for by a substantial proportion of the parliamentary party and that those calling for a vote should have the courage of their convictions.

We recommend:

(a) That the threshold for triggering a vote of confidence should be raised from 15% to 30% of all Conservative MPs.

(b) That the names of those submitting letters to the chairman of the 1922 Committee be made public at the time of submission.

PROVIDING LEADERSHIP

The leader of the party must be supported by all parts of the party in devising a clear vision for the nation. Equally, the leader should be prepared to have input from the proposed Advisory Policy Committee as well as from the parliamentary party in developing policy. The leader should also commit time and resources to engaging with the party in the country.

We recommend:

(a) That the leader, as discussed above, draw on a wide range of experience and expertise available through members of devolved legislatures and local government.

(b) That the leader creates a schedule to spend time addressing area conferences and regional events and that whenever attending events in a particular part of the country, an effort is made to visit local constituency parties or at least invite constituency officers to a reception to meet the leader.

(c) That members of the Shadow Cabinet commit to visiting local constituency parties, and to address public meetings and local media when so doing, on a regular and agreed basis.

SPECIAL ADVISERS (SPADS)

There is dissatisfaction with the activity of some special advisers. In government, there were too many of them and they were prone to go beyond their core task of serving as the minister's advisor and as their eyes and ears in the party. There is the perception that SPADs in No. 10 in particular were given, or assumed, a power to give directions to ministers as well as party officials and local parties. There is a strong view that they were neither qualified nor authorised to do this and that in future SPADs must be limited in number and focus on their core task of providing political advice to their Minister, complementing that provided by an impartial civil service. When used as such, SPADs have a valuable role to play.

There are also lessons to be learned from the experience for being in opposition. Special advisers are not so numerous – only the leader and a few senior figures have them – but they have a role to play.

We recommend:

- (a) That emphasis be placed on recruiting SPADs who have specialised knowledge in relevant fields and are not seeking political advancement, rather than recruiting generalists who have limited expertise in particular fields or no substantial experience of the party and who see the post as a stepping stone to a parliamentary seat.
- (b) That SPADs be included in appropriate training sessions so that they have a clear understanding of the structure and role of the party as well as the seven principles of public life.

THE HOUSE OF LORDS

Not surprisingly, we stress the value of the House of Lords. The House serves as a repository of knowledge and expertise. That knowledge and expertise has served the House well in fulfilling its functions, but that which resides on the Conservative benches has not been fully utilised by the party. The value of the party in the House is magnified in times of opposition, not least when the party's ranks in the House of Commons are so depleted.

The party in the Lords draws together many who have had Cabinet experience or who fulfil or have fulfilled a range of roles in public life as well as those who have expertise in different fields. The experience also encompasses campaigning. Many peers were active in the general election campaign and are active participants in local election campaigns as well as serving in different capacities in constituency parties. There is a wealth of experience and institutional memory to be utilised.

That knowledge and expertise needs to be harnessed to the benefit of the party.

We recommend:

- (a) That the Association of Conservative Peers (ACP) be empowered to appoint relevant peers to the proposed Advisory Policy Committee.
- (b) That peers with relevant expertise be drawn on to fulfil some of the senior roles in the party organisation, including in assisting with campaigning and candidate recruitment.

- (c) That the ACP and 1922 Committee jointly hold events for prospective candidates, including briefings on policy and campaigning.
- (d) That peers be more regularly utilised as speakers at party events and in media interviews. Along with the leader and members of the Shadow Cabinet, they should form an organised pool of speakers.
- (e) That peers with experience of the House of Commons and how to maximise impact in the constituency be recruited to mentor new Conservative MPs.

CONCLUSION

Our recommendations are not meant to be exhaustive, but rather serve to provide a clear sense of direction and a call for action. We are conscious that there are significant resource implications, which will entail prioritisation. The party needs to move as a matter of urgency to implement change in order to meet the goals we have outlined. We invite all the candidates for the party leadership to commit to embrace them if the mantle of leadership falls on their shoulders.