

MANAGEMENT IN CONFIDENCE

**REVIEW OF
GOVERNMENT STATISTICAL SERVICES**

**Report to the
Prime Minister**

December 1980

REVIEW OF GOVERNMENT STATISTICAL SERVICES

Table of Contents

PART 1 - REPORT TO THE PRIME MINISTER

Section	Paragraphs
1. INTRODUCTION	
Origins of the review	1-2
Purpose of report	3
Results of Departmental reviews	4-8
Action in hand	9
2. THE STATISTICAL SERVICES	
Growth and distribution	10-11
Functions	12
Organisation	13-14
Questions for the review	15
3. THEMES AND RECOMMENDATIONS	
General - Where the costs lie	16-17
Theme 1 - Improvements in methods and processes	18-19
2 - Computing	20-23
3 - Taking a sharper view of government's real needs for data	24-26
4 - Forms	27-31
5 - Sampling	32-33
6 - Elaborate administration	34
7 - Analysis and interpretation	35-39
8 - The dissemination of statistics	40-43
9 - International obligations	44-49
4. MANAGEMENT OF STATISTICAL SERVICES	
The Departmental aspect	50-56
The Inter-departmental aspect	57-59
Head of Statistical Services	60-61
Payment	62-64
5. INTER-DEPARTMENTAL STATISTICS	65-69
6. CONCLUSION	70-73

PART 2 - REPORT ON INTER-DEPARTMENTAL ISSUES

Annex A - Summary of departmental reports
Annex B - Manpower 1966-84; expenditure 1979-84
Annex C - List of those consulted
Annex D - Statistical publications
Annex E - A budgetary presentation: the CSO
Annex F - Draft remit for the Head of the Government Statistical Service
Annex G - Focus for assessing statistical services

PRIME MINISTER

REVIEW OF GOVERNMENT STATISTICAL SERVICES

SECTION I

INTRODUCTION

1. In January you asked me to oversee a review of Government statistical services. I am now reporting the outcome.

2. The review was proposed by the Minister of State, CSD, Mr Channon. He appointed Mr R H Wilson, an Assistant Secretary from his Functions and Programmes Group, to assist me. He was joined by Mr I B Beesley, a Chief Statistician in the Central Statistical Office, appointed by Sir John Boreham. As my central review team, they have -

- co-ordinated the review and ensured consistency of approach in the 19 separate scrutinies which have been made of statistical services in departments;
- assessed a number of specific blocks of statistical work of inter-departmental significance;
- with the assistance of Mr G J Wise, on loan from the National Westminster Bank, prepared a report for you on the Central Statistical Office.

I gratefully commend to you the excellent work of Messrs Wilson, Beesley and Wise.

3. This report has two main purposes -

- i. to inform you of the conclusions which have emerged from the departmental reviews;
- ii. to make recommendations on matters of inter-departmental significance.

The Departmental Reviews

4. At the start of this review, a number of Ministers had already made or begun reviews bearing on their statistical services. In its first year your Government reduced the numbers involved in statistical work from about 8,850, including 540 statisticians to 8,500, including 520 statisticians. Just over two-thirds of the total staff are in what is normally understood by the Government Statistical Service.
5. The review has been hard-headed but constructive. The officers concerned were encouraged to question work normally taken for granted and to propose improvements designed to limit statistical effort to where it is of greatest value to the work of the department. (The guidance to examining officers on assessing statistical work is reproduced in Annex G).
6. The reports have made over 700 recommendations. In addition certain further recommendations are made on inter-departmental statistics in the report of my central team which forms part 2 of this report. If all these recommendations were implemented, there would be savings of about 1,700 staff (20 per cent) and £20 million per annum, in addition to those being achieved already.
7. The cost of the review has been £285,000 excluding the costs of those consulted.
8. Taking into account the separate scrutinies in the Departments of Industry, Trade and Energy, and making allowance for other actions in hand, by 1984 expenditure on statistical services could be about £75 million a year at 1979 prices, compared to about £104 million a year in May 1979 - a reduction of 28 per cent. Staff numbers would be about 6,100 including 480 statisticians compared to 8,800 in May 1979 - 31 per cent down. Details are provided in Annex B. But results still depend to a considerable extent on decisions to be taken by departmental Ministers.

Action in Hand

9. I have asked the Ministers responsible in each Department to prepare action documents in the normal way. For the most part these are not yet complete. The following is the state of progress made so far in each department. (Further details are set out in Annex A.)

MANAGEMENT IN CONFIDENCE

Central Statistical Office (CSO)

Proposed Savings: £1.12 million - 30% (46 staff - 19%). You have noted the recommendations made in the first draft. Sir Robert Armstrong will shortly submit the final draft.

Home Office

Proposed Savings: £0.68 million - 23% (78 staff - 21%). The Home Secretary is still considering a number of recommendations, for example on services provided in the Prison Department and the Joint ADP Unit. He is looking for savings of 36 in the Statistical Department (report recommended 23).

Lord Chancellor's Department

Proposed Savings: £0.09 million - 14% (12 staff - 16%). Most recommendations accepted.

FCO/ODA

Proposed Savings: £0.17 million - 31% (14 staff - 39%) Accepted.

Inland Revenue

Proposed Savings: £0.76 million - 13% (80 staff - 13%). Savings of 65 staff are agreed. Further consideration is being given to recommendations affecting the remainder.

Customs and Excise

Proposed Savings: £2.7 million - 30% (420 staff - 35%). Agreed recommendations to save 158 posts. Further savings of 250 accepted in principle subject to further study. 11 staff savings not yet accepted: the full cost appropriate to non-government use of the service concerned may be met by trade interests. New export documentation procedures may require the addition of 100 staff.

Industry/Trade (Rayner project 1979)

Proposed Savings: £1.0 million - 7% (80 staff - 6%). Majority accepted with firm plans for implementation.

Defence

Proposed Savings: £0.5 million - 13% (50 staff - 17%). Accepted.

CSD/Government Actuary

Proposed Savings: £0.12 million - 11% (8 staff - 9%). Largely accepted. Further savings of 42 posts will be made as a result of related reviews.

MANAGEMENT IN CONFIDENCE

Employment/MSc

Proposed Savings: £4.0 million - 29% (400 staff - 33%). Report only just completed. Officials' initial view is that the majority of the recommendations should be acceptable.

Health and Safety Executive

Proposed Savings: £0.1 million - 13% (9 staff - 17%). Accepted. 2 more posts saved in addition.

Agriculture

Proposed savings: £1.5 million - 28% (84 staff - 27%). Proposals saving 15 posts so far accepted. MAFF Ministers have said they are looking to implement most of the report but there is still some way to go.

Environment/Transport

Proposed Savings: £2.5 million - 18% (133 staff - 27%). The Secretary of State for the Environment and the Minister of Transport accept the thrust of the report and intend to make at least equivalent savings.

Scotland (Scottish Office and General Register Office)

Proposed Savings: £0.26 million - 8% (23 staff - 7%). Accepted.

Wales

Proposed Savings: £0.09 million - 12% (2 staff - 3%). Accepted.

Northern Ireland Departments

Proposed Savings: £0.38 million - 12% (35 staff - 14%). The Minister of State expects to achieve most of these.

Health and Social Security

Proposed Savings: £1.65 million - 33% (160 staff - 33%). About two-thirds of the savings accepted or accepted in principle and subject to consultation. The Parliamentary Secretary, Mrs Chalker, is as yet unable to commit the Department on the remainder pending urgent further consultation with the Health Service.

Office of Population Censuses and Surveys

Proposed Savings (excluding further savings recommended in inter-departmental report): £0.5 million - 4% (22 staff - 2%). Accepted in principle subject to firm plans for implementation. Paragraphs 1-27 in part 2 of this report propose further savings of £1½ million a year and about 100 staff. Ministers have not yet considered the proposals.

Energy

Proposed Savings: £0.09 million - 7% (6 staff - 9%). Reviewed separately in the scrutiny programme. Accepted.

Education and Science

Proposed Savings: £0.09 million - 5% (5 staff - 4%). I have neither accepted nor rejected this report, about which I am in correspondence with the Parliamentary Secretary, Mr Macfarlane. The proposals, in paragraphs 43-47 of part 2 of this report, for an early examination of how to limit the data costs of the block grant system for local authority finance are relevant to much of DES's work.

SECTION 2

THE STATISTICAL SERVICES

Growth and distribution

10. In 1966 a report by the Estimates Committee, which was largely accepted by the Government of the day, signalled the start of a massive improvement in the availability, timeliness and quality of government statistics. Over the next decade and a half the number of professional statisticians employed rose from 159 to 540, the number of supporting staff - from 4,075 to 8,310; and the cost from about £50 million (at 1979 prices) to over £100 million.*

11. This expansion was not uniform. It reflected the growing involvement of government in the economy in all its aspects on the one hand and on the other the increasing take-on of responsibilities for the provision of social services and social infrastructure. Some traditional areas of government concern like Defence did not share in the expansion. The table below shows where the main centres now are -

	Staff (Nos) 1979	Expenditure (£ million pa) 1979
Departments of Industry and Trade (economic and business statistics)	1381	13.9
Customs and Excise (external trade statistics)	1296	9.7
Employment Group (labour market and retail prices statistics)	1314	15.8
Office of Population Censuses & Surveys (population and social statistics)	1100	12.8
Inland Revenue (tax statistics)	608	5.7
DOE/DTP (wide range of socio-economic statistics)	527	14.2
DHSS	517	5.6
Other largely "economic departments"	693	11.4
Other departments	1415	14.9
Total	<u>8851</u>	<u>103.9</u>

*A rather wider coverage has been used for the later figures than that adopted by the Estimates Committee in 1966, but even so I estimate that the increase in real terms is likely to have been at least a third.

Functions

12. The range of statistical work performed in these departments is wide. There are also variations in the way they are organised and in the types of statistical and other skills required. But certain basic functions are common -

- The collection and compilation of data from basic sources: this is by far the most labour and cost-intensive part of statistical operations, involving large clerical workforces, substantial computer usage, and, of course, forms and returns. It has been a prime area for examination in the review (paragraphs 18 - 33 discuss the issues raised).
- The provision and interpretation of statistics for direct or indirect input into policy advice: this function draws on specialist skills, mostly of statisticians, but economists, road engineers, agricultural specialists, medical professionals are also involved. (Paragraphs 34 - 39 discuss the issues relevant to this function).
- The wider dissemination of statistical information within government and to the public at large. This is a subsidiary function but nevertheless one to which much importance is attached by both outside groups and individuals and the statistical profession in general. (Paragraphs 40 - 43).

Organisation

13. Unlike most other countries, we have largely decentralised our statistical services so that data and their analysis are located close to the policy makers they serve. The Head of the Government Statistical Service exercises professional oversight of members of the Statistician Group, but, with the exception of the Central Statistical Office, and to a less extent the Office of Population Censuses and surveys, statisticians and their staffs are appointed by and remain unambiguously answerable to departmental Ministers. Inside a department a typical pattern is that the majority of statisticians are located in a central statistics division commanded either by an Under or even Deputy Secretary with a statistical background. Large clerical data collection is often grouped within the statistical division. A few single statisticians may be "bedded out" with specific administrative divisions. In some notable cases, such as the Department of Transport, a great deal of statistical work is undertaken by divisions which do not report in any way to the Director of Statistics.

14. An important exception to the general pattern is the Central Statistical Office which, as part of the Cabinet Office, has its origins in a wartime minute of 27 January 1941 from Mr Churchill to the War Cabinet which included -

"A Central Statistical Office is being established whose duty will comprise the collection from Government Departments of a regular series of figures on a coherent and well-ordered basis covering the development of our war effort. The Prime Minister has directed that the figures so collected should form an agreed corpus which will be accepted and used without question, not only in inter-departmental discussions, but in the preparation of documents submitted to Ministers for circulation to the War Cabinet and to War Cabinet Committees. This section, which will take over the work of issuing Statistical Digests hitherto performed by the Economic Section of the War Cabinet Secretariat, will form part of the staff of the War Cabinet Offices."

It compiles the national accounts etc and, because of its duty to draw together statistics from various departments using common standards, exercises considerable authority over the professional quality and integrity of their statistical work. It does this on behalf of Government generally, although in practice its dominant "customer" is the Treasury. The Office of Population Censuses and Surveys, with its expertise in the Census and social surveys, has a somewhat similar self-standing position. It is, however, the responsibility, not of a central Minister, but of the Secretary of State for Social Services. (I make recommendations on the future management and control of statistical services in paragraphs 50 - 64.)

Questions for the review

15. Undoubtedly Government has gained from the greater availability, co-ordination, consistency and timeliness of information in the past 15 years. Statistics are important for policy formulation and monitoring, and as part of the basis for the disbursement of public funds. They are not optional extras. The Government Statistical Services have set out to provide a wide-ranging, high quality, service not just for central government, though mainly so. Ministers need to know whether the expansion that has occurred since 1966 has all provided value and to consider how much the statistical services should contribute to the Government's objectives for reducing the Civil Service manpower and costs. All the departmental reviews have attempted to answer these questions and have for the most part done so very well.

SECTION 3

THEMES AND LESSONS

Where the costs lie

16. Of the £100 million a year now being spent on statistics I estimate that about two-thirds is incurred on the fundamental tasks involved in collecting, checking and processing raw data. It is here therefore that the bulk of statistical costs lie.

17. By the same token it is here also that the bulk of the external burden on suppliers of data is imposed. The review officers estimated that the cost to business of form-filling and return-making is of the order of £13 million a year and that each year departments send out over 2½ million statistical enquiry forms to businesses alone. Recommendations made by examining officers fall largely into the following categories.

Theme 1 - Improvements in methods and processes

18. The reports have included many recommendations for the adoption of simpler, less costly methods and procedures while still providing an acceptable level of service:

18.1 Agriculture -

reducing the frequency and simplifying the content, handling and publication of the main June agricultural census, stopping software developments on it, and abolition of the "Census of statistically insignificant holdings". The saving from these measures taken together would be £374,000.

18.2 Foreign Trade -

Impressive mainly clerical savings of up to 420 man-years are recommended in the Customs and Excise from a streamlined system of handling the paper, a less rigorous approach to checking of data, more sophisticated use of computers and to a less extent from a reduction in sampling and in responding to trade challenges.

18.3 Inland Revenue -

the heavy cost of pursuing and correcting error-ridden statistical returns from local tax offices. The annual costs of this work of some 150 man-years are generated internally. They reflect failure to get staff to take their statistical responsibilities seriously enough.

19. The development of cheaper methods of collecting, checking and processing information should receive high priority. It is a proper and essential area for the exercise of professional expertise (primarily that of statisticians and data processors).

Recommendation (1)

19.1 Departmental management should ensure that, with the help of the Head of the Government Statistical Service, a greater proportion of statistical talent is deployed at the "sharp end" of data collection, than has up to now been the practice in many areas. It should work closely with computer experts. Periodic reports on productivity improvements achieved should be asked for and discussed by senior management.

Recommendation (2)

19.2 The Head of the Government Statistical Service should have a specific responsibility for keeping up the pressure for technical improvement and for disseminating knowledge about cost-effective techniques. He should work closely with departmental management and statisticians. I suggest you might ask him too to make a brief annual report on improvements made in methods and processes across government, and savings achieved thereby.

Recommendation (5)

19.3 More widely, the review has borne out what has been evidenced in other scrutinies, that it is usually worth looking afresh at all systems of collecting and recording external information in government departments - whether statistical or administrative. I recommend that where departments have not already reviewed their external records they should do so to see whether they are all needed, can be kept more efficiently, and whether the burdens imposed on citizens can be simplified and reduced.

Theme 2 - Computing

20. It is clear that there are still productivity gains to be had. Many of the savings proposed in the studies stem from greater computerisation -

Courts - Computerising Crown and County Court records centrally so as to cut out duplicative analysis and record keeping at local and regional level (net saving £72,000)

Defence - Greater use of pay and records computers for statistical purposes (saving £36,000)

Overseas Aid - Use existing computer bureau facility to computerise financial aid statistics. (saving £33,000).

Other examples in the studies suggest statistical uses could be more efficient -

Agriculture - Extending computerisation of Agricultural Market Report and EEC Horticultural prices (saving £103,000).

Employment - unnecessarily expensive storage of information on a live computer file (saving £26,000).

Environment and Transport - Co-ordinating use of commercial bureaux so as to obtain the most favourable terms (saving £250,000).

Health - Use of computerised superannuation data base for doctors and dentists for wider statistical purposes replacing the Central Medical Recruitment index (saving £145,000).

21. A number of senior officials have told me they are worried by the scale of resources committed to statistical computing not the least of scarce and expensive programmers. The fragmentation of computing encourages tailor-made systems when off-the peg generalised software may be better value:

Home Office - the report drew attention to the possible wider applications of programs they had developed.

CSO - the report pointed to the difficulty of assessing the work of the CSO unit promoting generalised software.

The use of systems designers and programmers on statistics gives some idea of the scale involved. The Business Statistics Office has 140 at Newport, the OPCS 140 at Tichfield, the Department of Employment 50 at Watford and Runcorn, the DES 25 at Darlington and London and there are others also. I am not an expert but I commend to Ministers and their staff managers the probability that a valuable number of these scarce resources could be transferred to other duties if there were a stronger presumption that statistics should use generalised systems in place of the tailor-made.

Recommendation
(4)

22. Mr Holmes's report on the Departments of Industry and Trade statistics in the "Rayner project" 1979 pointed to high costs of data preparation at the Business Statistics Office compared to commercial bureaux. I am struck by the variation in practice between departments. The Department of the Environment for example, makes considerable use of commercial bureaux; the Department of Employment very little. The CSO and the Central Computer and Telecommunications Agency should keep an eye on regular cross-service comparisons of costs and productivity. Departments should require computer management to cost computer work consistently and to provide customers with the costs of their various jobs.

Recommendation
(5)

23. Picking up a recommendation in the OPCS study I agree that computing at OPCS would be suitable for inclusion in the "scrutiny programme". The scrutiny might draw for technical assistance on the CCTA, the CSO or another statistical department, or outside government altogether. The Secretary of State for Social Services may care to consider the suggestion.

Recommendation
(6)

Theme 3 - Taking a sharper view of government's real needs for data

24. In statistics, as elsewhere in government, there is a "coral reef" effect. Data are too often seen as good in their own right without due regard to their cost to government or to those who have to supply them. Users are too often imprecise in their demands and reluctant to admit they do not need information. Government is frequently seen as the universal holder of the stock of statistics (another variant on the "universal provider").

MANAGEMENT IN CONFIDENCE

The review has thrown up useful scope for savings by taking a more robust view of frequency and coverage required:

Employment - Reduce frequency to every three years for the census of employment saving £400,000.

Agriculture - Abolish two quarterly agricultural censuses and simplify another - saving £136,000.

Health - Abolish the annual Mental Health Enquiry and Facilities Return and substitute simpler alternating biennial censuses - saving £455,000.

Social Security - Simplify return on reception centre users - saving £90,000.

Some, if not all, of these may attract a hostile reception.

25. It has also pinpointed areas where reduced information gathering should follow from reduction in perceived need:

Employment - Reduce wages and earnings data collection - saving over £300,000.

Agriculture - Simpler agricultural wages and employment enquiries - saving £130,000.

Environment - Reduce collection of construction statistics - saving up to £200,000.

Transport - Reduce the Regional Highway Traffic Model data bank - saving up to £400,000.

The review has highlighted the costs which can be incurred because the operational services may have insufficiently clear ideas of what they want:

Home Office - uncertainty about the make-up of the Offender Index and the Prison Index - possible savings up to £545,000.

26. Those who commission and use data must be encouraged to be precise and constrained in their demands and prepared to identify data requirements which are no longer essential. This is no less important than the obligation on the professionals, even if, because responsibility is inevitably diffuse, it may at first sight seem less easy to do something about:

Recommendation (7)

26.1 Departmental rules should require all divisions to consult the senior statistician before proposals with a statistical implication are put to Ministers, so that data costs can be properly brought out.

Recommendation (8)

26.2 When reviewing statistical work (see recommendations 10 and 22) generalised arguments for preserving the status quo need to be challenged. Particular attention needs to be paid to all information collected or costs incurred primarily to meet demands outside central government. There will be exceptions (for example due to confidentiality of data sources), but in general there is no more reason for Government to act as universal provider in the statistical field than in any other.

Recommendation (9)

26.3 Big data bases should be regularly reassessed. They are often associated with ambitious information systems or mathematical modelling and can be very costly. If they are not serving specific purposes or coming up to expectation, they may well deserve to be cut back (like, for example, the reductions planned in CSD's database and manpower model). Here, as elsewhere, the presumption should be that information, should use reduced resources.

Recommendation (10)

26.4 Finally I suggest that Ministers and senior officials can set a useful lead by showing that they too are aware that data is not a free resource, by probing, for example, any cases where they are given more information than they need and generally encouraging their departments not to over insure by collecting too many statistics.

Theme 4 - Control of Forms

27. Government has reduced the annual average number of statistical forms sent to businesses in the past 3 years by about 500,000. There are still about 2½ million forms a year despite this. I estimate that collection of business statistics by government could cost firms £13 million a year. But there are proposals which, if implemented, would reduce the burden by a further 800,000, and the examining officers have contributed in no small measure to these plans:

Industry and Trade - these Departments and the Business Statistics Office sent out nearly 30 per cent (645,000) of the Government's forms to businesses last year. In 1980 and 1981, they will be making further reductions totalling 120,000 pa in forms sent out regularly;

Employment - this Department accounts for another third of the forms sent to employers and the examining officer is making recommendations to reduce the number of the Department's forms by a further 200,000 a year excluding the census of employment;

- proposals to put census of employment on a triennial basis and to pursue the use of sampling could save up to another 350,000 form on average per year.

Agriculture - The examining officer estimates that the effect of his recommendations, which have still to be accepted, will be to reduce the number of returns by a further 140,000.

28. Nine out of ten statistical forms sent to businesses belong to regular inquiries. A great number are compulsory under statutory powers. I believe very strongly that Ministers should know how their powers are being used. The need for each statistical return should be scrutinised from top to bottom at least once every five years and options for simplification set out for the Minister concerned. The Survey Control Unit in the Central Statistical Office should draw up and agree with Departments a rolling programme of scrutinies. The Unit should be involved in each scrutiny and should ensure that the interests of the form-filler are properly represented. Authorisation and re-authorisation of surveys should require Ministerial approval. When it is sought the submission to Ministers should contain the views of the Survey Control Unit.

Recommendation

(11)

Recommendation

(12)

29. Once a year, each Minister responsible should be provided with a report comprising a list of all statistics collected using his statutory powers, the timeliness of the results, when each was last approved by him, a summary of any complaints from the public, and when the next scrutiny is planned.

Recommendation

(13)

30. I recommend that Ministers should ensure that all Agencies for which they are ultimately responsible conform to the new arrangements.

Recommendation

(14)

31. Too little is known about the burden that business inquiries impose on respondents. The total number of forms may not be a good measure. The statistical services should devote a modest effort to improving estimates of the burdens forms impose (without adding appreciably to the burden on firms), to understanding the simplifications and improvements to particular inquiries that business respondents would find most useful and should ensure the scrutiny of forms takes them into account.

Theme 5 - Sampling

32. The reviews have shown the opportunities for greater use of sampling:

Inland Revenue - to reduce and improve the operation of the data base on company incomes and tax (saving up to £400,000).

Employment - greater use of sample rather than total coverage in the employment census and associated reorganisation could save approaching £600,000 in internal costs.

Recommendation

(15)

33. The CSO should monitor the availability of registers for improving sampling and should stimulate development of techniques for more efficient estimation of grossed-up values and samples that avoid concentration on individual small firms period after period. Ministers should consider on their merits proposals to amend administrative systems to improve their usefulness for sampling and for statistics generally, bearing in mind any savings in form-filling as well as possible administrative costs.

Theme 6 - Elaborate Administration

34. As with many scrutinies, the reviews have indicated areas where, if complex administrative requirements could be simplified, data collection costs could be substantially reduced. I mention only the following most significant examples, all of which I suggest should be followed up rigorously:

Customs - This review drew attention to the scope for savings from simplification of a proposed elaborate and costly system of gathering export statistics from traders. Various difficulties involved in abandoning the well advanced plan, including opposition from some trade interests have been indicated on behalf of the Department. But I believe that every possibility of simplification should be explored (see paragraphs 41-42 in part 2 of this report).

Industry & Trade - Both departments impose a heavy demand for disaggregated industrial and trade data. There is a strong case for abolishing at least one of the separate industrial information and forecasting systems presently operated by the Treasury and DIT and for simplifying the data requirements of the one remaining (see paragraphs 32-33 in part 2 of this report).

Local Authority Finance - The present information requirements of the system for financing local authority expenditure are large and there is a worrying prospect they will increase, particularly in the education field. I recommend an early examination with local government of the present and future costs to both parties of the information required for local authority finance (see paragraphs 43-47 in part 2 of this report).

Fisheries - The examining officer suggested there was considerable scope for reducing the costs (£500,000 pa) of fisheries statistics. I am in touch with the Minister about this.

Employment - The present system of unemployment statistics meets both statistical management and administrative needs. It is registrant-based but was already to be moved to a mainly claimant-based system before recommendations in the joint DE-DHSS scrutiny to introduce voluntary registration. The report therefore recommends basing the unemployment count entirely on claims for benefit. The savings would be £1.8 million (295 staff units).

Theme 7 - Analysis and Interpretation

35. The bulk of specialist statistical skills are employed not in data collection but in the tasks of interpreting and using data. I have suggested that more skilled, professional effort should go into making data collection more efficient (see paragraph 19 above). I would expect this to alter the distribution of

professional resources of skilled manpower to a certain extent. But it will remain the case that most main grade statisticians together with their support will be involved in the "interpretative" tasks.

36. The impression I have from the departmental reports is that most departments value very highly the interpretative service which they receive. I cite specifically the high regard for the CSO's work in the Treasury and the similar credit given to the statistics divisions in the Inland Revenue and DOE/DTP report. The fact that many departments are well pleased with the service they get is a powerful argument in favour of maintaining the present decentralised system of statistical services. As always of course there remains scope for improvement -

National Accounts Statistics - The CSO report recommended that statisticians should direct their contribution more to providing assessment for government purposes and less to meeting the assumed general requirements of the public and private sectors at large.

Overseas Aid - the report recommended effort be directed more in support of the department's management of the aid programme.

Health and Social Security - the report noted a "rivalry" between statisticians, economists and operations researchers and a haphazard use of specialists generally.

Home Affairs - development of the prison index and the offender index, for example, was described as too independent of the policy departments.

37. There is a clear suggestion here that, on occasion, statistical work may tend to be conducted too much in isolation from the key activities of the department. Part of the answer is better integration and more accountability for what is being done. I make some recommendations relevant to this in my consideration of management (paragraphs 50 - 55).

38. But there may sometimes be too many advisers in the quantitative field : not only 520 statisticians, but 370 economists, 225 operational researchers and other groups of specialists with quantitative skills as well. I recommend that in implementing their reports Departments look closely not only at the implications

for their statistical manpower but, at the same time, review the overlaps which may exist with the other quantitative specialisms and ensure other relevant specialisms are no less firmly controlled than the statistics.

39. The fear has been expressed to me that a squeeze on the statistical profession will be at least partly offset by a bulge elsewhere in quantitative services. That must not be allowed to happen. It is a consideration to be borne in mind when the statistical budgets proposed in paragraph 54 are being scrutinised.

Theme 8 - The Dissemination of Statistics

40. Most of the reports have commented on the scale of statistical publications. The 150+ main publications listed in Annex D give some idea of the scope. The reports made a variety of suggestions for reducing the scale of operations where they considered it to be too elaborate, or for charging more economically and submitting them to a more rigorous market test. Their recommendations in this sphere involve about £1 million. For example -

Education - The report recommends a reduction in the printed volumes "Statistics of Education" which come out late, and charging for statistical bulletins - saving £81,000 pa.

Welsh and Scottish Offices - Reducing the costs and recovering a larger proportion from those outside government who use them - saving £85,000 pa.

Central Statistical Office - Withdrawing the editorial subsidy on CSO publications, continuing to focus the rapid release of data on press notices but charging non-press users for the service - saving £340,000 pa.

- Charging commercial rates, for example, to companies using government data in computerised accounting systems - potentially earning large sums.

Energy - Charging for "Energy Trends" which is currently free of charge, and other publications - saving £65,000 pa.

Agriculture - The report notes that press notices are highly cost-effective and recommends that they should continue to be the main mode of publication. It recommends reductions in effort devoted to HMSO bound volumes and more realistic charging for statistics of commercial value - savings £80,000.

OPCS - Higher charges for population censuses data - savings £400,000 per census - already agreed by Ministers.

41. There has been a general trend over the years for government to publish more, including statistics. There is a widely held view that if Government collects figures at the taxpayers' expense, these should be made publicly available unless there are important considerations of confidentiality preventing this. I do not dispute that this is an important aspect of informing the public in a democracy and of maintaining public credibility in the Government's figures. Indeed, I am in favour of openness of government in this as in other spheres.

42. There may be objections to the proposals about publications for that kind of reason. However, none of these considerations requires Government to bear all the costs of dissemination itself. Often statistical information is of a relatively specialised nature. Where it is of commercial value, there is a strong argument for charging a commercial price.

Recommendation
17) 43. I endorse the more rigorous approach to the cost of dissemination of statistics which most of the reports clearly thought would be justified, and suggest the following general principles -

43.1 Information should not be collected primarily for publication. It should be collected primarily because government needs it for its own business.

43.2 Topical information is often of more use than compendia of descriptive statistics. Press notices should be used extensively, as they already are in many areas.

43.3 Information of value to business should be made available with a timeliness which maximises its value and should be charged for commercially. (Business bulletins financed by subscription are a case in point).

43.4 I do not believe that general subsidy is necessary. By this I mean not covering costs incurred in checking, tabulating, editing, printing and distributing figures for publication, ie any costs which the government would not incur for its own purposes. Subsidy of statistical publications should be quickly curtailed. This is not just a question of pricing, but also concerns better distribution and marketing of the finished product.

43.5 Less costly (to government) and more flexible means of enabling the public, in the form of interested bodies, researchers, historians and so on to have access to figures held in government should be exploited. I have in my mind here the use of camera ready copy, public use tapes, computer print-outs, microfiche and so on. If necessary, departments should be allowed more freedom from HMSO to pursue promising innovation - using information technology as appropriate. The costs of providing such facilities should be covered by appropriate charges to the individuals or bodies concerned.

43.6 Where departments wish exceptionally to continue to subsidise reference publications, for instance as an important part of the task of keeping Parliament informed, I suggest that this should require Ministerial authorisation in each instance. The CSD should carry out a review of all such cases in 2 years time.

43.7 Clear rules about the use of data for statistical purposes should be published to combat public mistrust and to enable more statistical research to be undertaken in the universities and institutes instead of in the civil service. The draft code of conduct on the use of data for statistical purposes should be submitted for approval to Ministers and published as soon as possible.

Theme 9 - International obligations

44. Government statisticians from the United Kingdom have played a leading part in developing international standards for statistics - particularly through the United Nations and its agencies. After accession to the European Community statistical work increased. Some increase in cost was inevitable, especially during an adjustment period, for two reasons. We had to contribute to the Community statistical system as it was - largely without being able to influence it. And the Community had to have statistics to support its operational activities.

45. Without shirking the obligations of membership, we should apply the same standards of value for money to Community work as we do domestically. If necessary, changes to UK procedures for compiling Community statistics should be discussed with the Commission and implemented - for example when existing costs seem to our statisticians to be greater than necessary.

Recommendation

(19)

46. It can be difficult to obtain information about the precise uses for which Community statistics are needed. Nevertheless, obligations to provide the Community with statistics should only be accepted in knowledge of the likely costs and uses of the proposed data and after consultation with those who will do the work.

47. Examples from the examining officers' reports include:

Customs and Excise - a '10 day surveillance regime' for sensitive categories of imports which is costly and over which the department felt they had little control (though the Departments of Industry and Trade are believed to support the requirement).

Health and Social Security - FCO pressure to participate in international initiatives.

Environment/Transport and OPCS - work thought to be of doubtful value (eg the annual census of construction, consumer attitude surveys, Community work on social indicators).

The Department of Energy - redundant returns being made to the Commission of the European Community.

48. I have not found persuasive evidence of widespread heavy additional costs of providing statistics to international organisations such as would suggest that there is a need to curtail a European Community or other institution in general terms. I am also aware there are counter-instances where essential Community statistics are not good enough. Nevertheless, Departments will wish to follow up individual cases where there are well founded suggestions that existing work is excessive.

Recommendation

(20)

49. I recommend that the policy towards international statistics should be that the United Kingdom should not, in general, undertake work it does not need - always bearing in mind specific United Kingdom interests in the work of international or Community agencies. The statistical services should always seek to meet international statistical needs from work already carried out and where that is not possible should seek to meet domestic needs using the international standard.

SECTION 4

MANAGEMENT OF STATISTICAL SERVICES

The Departmental Aspect

50. The amount government spends on statistics is equivalent to the turnover of a fair sized company - yet I am struck by the evidence that generally departments have not kept tabs on what they get for the money spent. There are signs that lay management has been reluctant - perhaps because of the technical nature of the subject matter, perhaps through excessive fear of offending professional sensitivities - to involve itself in the work of the statistical branches. If all concerned are to learn to give priority to making better use of fewer resources, managerial values must be asserted.

51. The review has shown that generalists, working constructively and openly alongside the professionals, can inform themselves without getting blinded by science. The reports have demonstrated convincingly the benefits to be gained from this. Those responsible for managing the Department's resources of money and manpower under the Minister should know about the work that is being done in the statistical branches; they should exercise fully their responsibility to ask probing questions about this work on behalf of the Minister.

Recommendation

(21)

52. For their part, professional statisticians in charge of the Department's statistical services should accept that they have not only the clear responsibility to provide an effective and cost conscious service to users in the Department and elsewhere, but also for accounting to central departmental management for the resources that they command.

Recommendation

(22)

53. It is more difficult but just as essential for the statisticians to require customers to justify their demands in a cost-conscious way. I have made recommendations relevant to how this can be done within the department in paragraph 26. Paragraphs 62-64 and section 5 discuss the issues where statistics are produced in one department and used by another.

54. The first step to control is to know what is provided and at what cost. There is a simple way to do this. If every department moved ahead to build on the examining officers' costings we should have taken an important step forward in controlling activities. Ministers and their senior officials need a regular statement - annually seems about right - of how much has been spent in providing

Recommendation

(25)

which statistical activities, with what result, what productivity gains there have been, and how much it is planned to spend next year. A good start has been made, for example, with the Central Statistical Office "statistics budget" shown in Annex E. With this kind of information senior managers can watch how the costs of a service develop, ask whether the value added by the service is commensurate with the costs, and restrain any tendencies for empires to grow.

55. In considering the budget - possibly in association with the annual scrutiny of departmental running costs - the central management of the Department will wish to strike a proper balance between the resources devoted to the Department's various operations. It should regularly take a view of the manpower and other costs that can be afforded for statistical services, requiring them to operate within a manpower ceiling as well as to an expenditure budget.

56. Copies of the budget should be sent to the Head of the Government Statistical Service. The Minister and the Permanent Secretary - who are unlikely to be statisticians - may need to supplement the advice of their head statistician with non-departmental advice. They can turn to the Head of the Government Statistical Service who should have a government-wide obligation to further value for money in statistics. (see paragraph 58).

The Inter-Departmental Aspect

57. Although initially attracted by the possible simplicity of a centralised statistical system I have been convinced that effective control and value for money are best encouraged by continuation of the decentralised organisation. The clear managerial lines of a single central office collecting and processing statistics are attractive but I do not believe the gains would be sufficient to justify the disruption, likely duplication of effort, and almost inevitable drift into isolation of the statisticians.

58. The professional head of the statistical services should give a strong lead towards value for money and economy. I recommend that you give him a new remit which will emphasise his role as the officer Ministers and their Permanent Secretaries can look to for advice on efficiency in statistics. I attach as Annex F a possible minute to the Secretary of the Cabinet on this.

Recommendation
(24)

59. The likely reduction in the Statistician Group is 8% and in the Social Survey Officer Group 40% - though the former may increase as departments work out their plans. I am concerned that this reduction should be worked through effectively and so as to preserve the best in the statistical services. For the purpose of implementing this report there should be a presumption for the centrally managed Statistician Group that the Head of the Government Statistical Service may look with confidence to individual Departments to release statisticians for service elsewhere. If, having taken into account local staffing issues, the Head of the Government Statistical Service makes such a request to the Permanent Secretary concerned I hope that he will receive ready co-operation.

Recommendation

(25)

Head of Statistical Services

60. The Head of the statistical services is also Director of the CSO. I considered briefly whether a machinery of government change to put the CSO in the Treasury or the CSD would bring overwhelming advantages in regard to value for money. About two-thirds of the CSO's work is on behalf of the Chancellor of the Exchequer. The office is in the same building as the Treasury and there is a joint CSO/HMT computer service. It would help the Treasury to be more cost-conscious in what it demands of the CSO if it also had to meet the bill.

61. Nevertheless, the presentational objections are compelling. The Office was created largely to guarantee the integrity of government statistics. Ministers in the UK are rarely accused of cooking the books. This is important to the credibility of government. A move to put the CSO into the Treasury could run the risk of interpretation as an attack on the integrity of government information. I do not think there would be any real substance in this argument - particularly if the Head of the GSS had a right of appeal, on questions involving statistical integrity, direct to the Prime Minister. But that is not how it could be made to appear. I conclude that the CSO is best left as part of the Cabinet Office. The Head of the CSO should report in the first instance to the Secretary of the Cabinet on the work of the CSO, and particularly on all questions of cost and management. On matters concerning the validity and integrity of Government statistics and the professional competence and standing of the Government Statistical Service, the Director of CSO, as Head of the GSS should have the right of direct access to the Prime Minister.

Recommendation

(26)

Payment

62. I am in favour of government departments taking a clear view about their needs, then if others in the public sector want information they should either get it themselves or pay for it, preferably from their existing budgets so that there is a genuinely cost-conscious choice.

63. However, I do not want to create a bureaucracy of transfer pricing in the statistical field and I do not want to restrict the desirable interchange of information between departments and government bodies generally.

64. The clearest case for payment arrangements is where one or two government bodies are the main users of information collected or processed by another and where the latter would not incur the same scale of costs solely for its own purposes. There are particularly good cases for payment by users of the social survey work of the OPCS (paragraphs 13-27 in part 2 of this report) and for making the Treasury financially responsible for the work it requires of the CSO. There may be other examples in the fields of employment and trade statistics. The reports identify several other possible cases. In following up their reports I recommend Departments consider putting work they undertake for others on a payment basis where that does not make bureaucratic nonsense. I recommend that full transfer of financial provision should not be automatic, particularly where there may be opportunities for taking a tauter view of the service to be provided.

Recommendation

(27)

SECTION 5

INTERDEPARTMENTAL STATISTICS

65. Many statistics are collected by one department and used by others. The external trade statistics, for example, are collected by Customs and Excise derived from headings in the tariff, used by the Department of Trade for trade policy, used by the CSO for compiling balance of payments statistics, used by the Treasury in economic assessment and forecasting, and used by Parliament, the Commission of the European Community and the public. The general rule is for data collection to be undertaken at the most convenient point. This holds true even where the department doing the collection does not use the data itself: for example the DHSS estimates employment income for use by the CSO for the national accounts. The OPCS does almost all its statistical work for other customers. I commend this arrangement as sensible.

66. The examining officers' reports have usually dealt with statistics at the point of collection - where the main costs arise. There are two worries about this. User departments worry that the work other departments do for them will be curtailed without sufficient regard to its importance. Producer departments worry about difficulties in obtaining adequate guidance on where services can safely be reduced.

67. The introduction of payment between departments is one mechanism for improving the allocation of responsibilities. My recommendations on this are in paragraphs 62 - 64 above. In addition, and especially where a customer - contractor relationship based on payment is impracticable, the Head of the Government Statistical Service should ensure there is adequate articulation between the parties concerned. He should take the lead in resolving uncertainties and obtaining specific understandings between the producer and user departments.

68. Messrs. Wilson and Beesley have taken a look at the scope for savings in a number of representative areas of inter-departmental statistics. Their report is appended. They have concentrated on (1) the work of the OPCS whose initial examining officers' report left a number of big issues for further consideration, and (2) certain topics in macro economic statistics about which specific questions have been raised in the departmental reports and with which they as the central team were best placed to deal.

Recommendation

(28)

69. I commend their report to you and support their recommendations. The most important conclusions are:

Recommendation (29)

69.1 The aim should be to contract out all ad hoc social surveys where private sector costs are less than those of the OPCS and surveys by OPCS's Social Survey Division should be on payment terms from existing departmental budgets (paragraph 23). This recommendation will probably be opposed by civil service unions and it will be necessary to consult them formally before final decisions are taken. Nevertheless my team estimates that if OPCS conducted the government's multi-purpose surveys and only a handful of ad hoc surveys there would be savings of about 100 posts. Further, if the central departments were successful in resisting claims for a transfer of money to the commissioning departments for financing ad hoc surveys, there would be an additional saving of £1½ million a year (paragraph 25).

Recommendation (30)

69.2 Modifications should be made to key multi-purpose social surveys to increase value for money (paragraphs 13-22).

Survey	Responsible Departments	Cost	Proposals
General Household	Cabinet Office	£ 905,000 pa	Reduce sample to save £250,000 pa
Family Expenditure	Employment	£ 704,000 pa)	Merge to save £220,000 pa
National Food	Agriculture	£ 240,000 pa)	
International Passenger	Trade	£ 690,000 pa	
Population Census	OPCS (GRO(S))	about £50m spread over several years	Assume there will be no mid-term census in 1986

69.3 Users of inter-departmental economic statistics have made it clear they are unwilling to give up many unless a close look is taken at the policy requirements. The central team's report draws attention, for example, to the duplicative industrial assessment conducted by the Treasury and by the Departments of Industry and Trade (paragraphs 32-33). A review of the DIT industrial assessment system - which has data implications - is proposed.

69.4 Producer departments are entitled to expect constructive attitudes and guidance from user departments in seeking to keep inter-departmental work to the minimum.

SECTION 6

CONCLUSION

70. I have been encouraged by the responses from many of the Ministers to the reports they have received. This reflects considerable credit on those, lay and statistical, who have conducted the reviews.

71. In this multifarious and technical field I do not expect that every prescription is exactly right. But where scope for improvement has been identified I make a strong presumption that action is needed. One or two Ministers have already indicated that even though they may depart from particular recommendations, this will be done so as to preserve the essential thrust of the simplifications proposed and to realise equal or greater savings. I welcome this approach.

72. Important proposals remain to be decided from the reports on statistical services in the Customs and Excise (although Lord Cockfield has accepted most of his report in principle), Home Office, Department of Health and Social Security and Ministry of Agriculture. The Department of Employment report has only just been submitted to the Secretary of State but it clearly contains substantial proposals.

73. Taken together these outstanding proposals amount to savings of £8¼ million (870 manpower), still to be firmly decided; they include some of the more radical changes advocated in the reports. Some people may suggest that the proposals add up to a weakening of democratic control and that the formation of policy or public opinion will be hindered. As always, therefore, achievement of the savings will require a determined effort from the top including a clear explanation of reasons for decisions taken. I believe that with this most of the benefits can be realised without raising the largest political issues. The bulk of recommendations - even in sensitive areas - concern the present methods, levels and intensity of statistical provision rather than whole classes of information. They are supported by chapter and verse. Their implementation will make an important contribution to tauter administration and a welcome reduction in burdens imposed on others.

PART 2 - INTERDEPARTMENTAL STATISTICS

Note by Mr R H Wilson and Mr I B Beesley

The Office of Population Censuses and Surveys

1. The Office of Population Censuses and Surveys (OPCS) is in a special position in that its work is largely for customers outside the department. It is large (around 2650 staff of whom about 1100 work on statistics) and relatively free standing - away from day to day Ministerial pressures of departmental work but not subject to commercial disciplines either. The office was created in 1970 by the amalgamation of the General Register Office and the Government Social Survey Department. It is headed by the Registrar-General who is statutorily required to collect certain information about the numbers and condition of the population. He does so under the general guidance of the Secretary of State for Social Services who is responsible in Parliament, for example, for the taking of a population census.

2. In principle, and sometimes in practice, the Registrar-General can run his department without much contact with the Secretary of State - though the present incumbent is anxious not to do so. There is a close relationship between the OPCS and the CSO which is helped by an informal steering group under the shared Chairmanship of the Head of the Government Statistical Service and the Registrar-General with members from the CSO, GRO(S) and OPCS.

3. There are five chief services: (1) The administration of the marriage laws and the registration of births marriages and deaths which are outside this review; (2) medical statistics; (3) the population census; (4) other population estimates and forecasts; (5) the surveys carried out by the Social Survey Division. The examining officers in the department have recommended reductions of 4 per cent a year on regular statistical work and of £1½ million on the cost of the population census. They noted once and for all savings of £1 million on computer accommodation. But the office should also be looked at in a wider context.

4. The size and cost of the office are heavily affected by the taking of a population census - normally every ten years. When the government came to power the office had about 2500 staff. Taking into account the recommendations of the departmental report the staff reached a peak in July 1980 at 2673, and should fall to 2130 by April 1984 and to 2088 by April 1986. Most of these reductions are accounted for by the cyclical pattern of census work. The reductions identified in the departmental report account for 122 man-years.

5. Some of OPCS's customer departments expressed alarm at its unresponsiveness to deadlines. Senior professional statisticians commented that it falls victim to "the best being the enemy of the good". We have also had approaches from local authorities expressing fears about the timeliness of the results of the 1981 population census. Although some departments said they thought the situation getting better there is still a feeling that the office is too research minded, too perfectionist.

6. The recommendations in the examining officers' report will help, particularly those concerned to extend project control in the office and to reduce academic research. We have also been impressed by the determination of the Registrar-General (who has been in post since 1978) to encourage a strong managerial approach. We commend his decision to announce publicly the target processing dates for particular tabulations from the 1981 population census. We understand this has never been done before in detail. It is a good example of the essential disciplines which must be injected into the office. We recommend that it should be normal practice for projects in the OPCS to have a target deadline and where possible for the target to be announced. Progress towards and achievement of the targets should be monitored and we think it would be appropriate for the steering group to discuss these matters though the responsibility would remain the Registrar-General's.

7. We have considered whether the work of OPCS might better be done in its most important customer departments. But OPCS provides many multipurpose statistics and its customer relationships are complex. In view of this we believe that OPCS's performance is best improved through managerial action. We recommend no machinery of government changes.

8. The departmental report says
"... any expansion in OPCS services is subject to the full rigour of Treasury/CSD control. There is no scope for OPCS to obtain resources as a part of some larger, possibly less contentious, administrative scheme. This makes life difficult for OPCS since it has little political muscle which can be used".

Even so, internal cost disciplines could be strengthened. We note, for example, that although the office regularly monitors computing costs incurred by its divisions, overall costs are not scrutinised for individual projects. We recommend that be remedied. In addition to a widespread project costing and control in the office we recommend the annual scrutiny of costed work programmes as essential to adequate overall control. We also observe that as most of OPCS's work is done on an allied service basis the expenditure/manpower divisions of the Treasury and CSD have little direct help from customers in assessing the work of the office.

Medical Statistics

9. The medical statistics section (cost £0.8 million a year) must have a close relationship to, and a clear demarcation from, the Department of Health and Social Security. We commend the basis of demarcation put to us by the Registrar-General that the OPCS collects data about the state of the health of the nation whereas the DHSS statisticians provide statistical support for improving the health of the nation. We propose it be operated in practice so that the OPCS medical statistics work is scrutinised together with the relevant part of the Department of Health's statistical programme. The OPCS already reports to the Secretary of State for Social Services.

10. The scrutiny would cover on-going work such as the longitudinal study which seeks to link vital events recorded in the registration system for a sample of individuals, including links to the 1971 and 1981 population censuses. This enables the analysis of links between vital events and social and economic factors (eg occupational mortality). It costs about £200,000 a year and the link to the 1981 population census will cost an extra £400,000. The work was initially authorised in 1973 but has not been reviewed by Ministers since. We are unable to judge whether the case for the work is still as strong, partly because at the time of this review the OPCS was still awaiting a report on the medical applications of the longitudinal study and the prospects for a successful continuation. We recommend that a report be submitted to the Secretary of State for Social Services on the technical outlook and the cost effectiveness of continuing with the longitudinal study within the next four months.

Population statistics and census (cost £1.5 million a year plus about £44 million per census)

11. Subject to the recommendations in the departmental report about further reductions in the cost of the population census, and to what is said about public use tapes elsewhere in this report, we are impressed by the managerial awareness

and actions of the Registrar-General. We fully support his approach. As regards pricing of census results we understand that the office is seeking firm "purchase intentions" for certain small area tabulations to be provided by a certain time. We commend this development as a means of bringing the Office into a more satisfactory contractor - customer relationship and recommend it be applied more widely.

12. We accept the thrust of the recommendations in the examining officers' reports on the OPCS and Government Actuary's Department to reduce internal research and to make the frequency of population projections two-yearly. We understand that British universities have so far shown little interest in demographic research about the United Kingdom but that is not sufficient reason for OPCS to continue with it. The statistical service representatives on the SSRC grants committee should be briefed about any necessary research. There should be a regular interchange of staff between the population and census divisions on the one hand and client departments elsewhere in government.

Social Surveys

13. The Social Survey Division spends about £5 million a year, split roughly half and half between continuous multi-purpose social surveys and specific ad hoc surveys commissioned by departments, almost all on an allied service basis. It is reasonable to ask why government needs its own social survey when there is a well developed private sector service. It has been put to us that there are some surveys which are so sensitive, or require such a high level of design or interviewing skill, that the private sector cannot be relied upon to provide a satisfactory result. It is also argued that the social survey division needs practical experience in order to advise departments on the "best buys" for surveys contracted out to the private sector. Nevertheless it is right to ask whether all the Social Survey's work is essential and if the Division is the right size.

14. The Survey now has 235 staff in total (including 50 Social Survey Officers and 95 associated technical support staff). Its professionals and associated technical support staff grew rapidly in the early 1960s from 43 in 1962, to 63 in 1965, 119 in 1970, and 149 in 1979. Almost 100 of the staff work on continuous multipurpose surveys of which there are four large examples. In total they cost OPCS £2½ million a year and there are further costs in departments.

15. The Family Expenditure Survey (FES) annual cost £704,000 and 38 OPCS permanent staff - started in 1957. It provides essential data for the retail price index and for estimates of household expenditure. Experiments are now under way to combine the survey with the National Food Survey (NFS) sponsored by MAFF - £240,000 per annum and 3 OPCS staff. The FES needs to continue but there should be a strong presumption that the savings associated with a merger should be realised from the beginning of 1982. It seems likely that a merger would bring some improvement in the quality of the NFS data but, on the other hand, FES data may not be so reliable. The net savings are estimated to be £155,000 per annum in OPCS and £66,000 per annum in MAFF. Savings of this order should not be allowed to escape.

16. The third continuous survey is the International Passenger Survey (IPS) - annual cost £690,000 and 12 OPCS permanent staff. It sampled 219,000 travellers last year at ports and airports to obtain information about expenditure by British residents while travelling abroad and by visitors to the United Kingdom - for use primarily in compiling balance of payments statistics, data about tourism in general; and about migration to and from the United Kingdom. The survey is currently under review by an interdepartmental committee of official statisticians under CSO chairmanship. It seems clear Ministers will want some information of this type but we are doubtful if the costs of the present IPS are justified. We recommend the review should produce proposals for surveys costing, say, £100,000 per annum, £250,000 per annum and £500,000 per annum. The user departments should then recommend to the Ministers concerned the most economical form of survey(s) for their combined needs and from 1982 departments should pay for the survey(s) on a shared basis out of existing funds. The proposals should take account of the revenue raising potential from bodies such as the BTA, the Civil Aviation Authority etc.

17. The newest continuous survey is the General Household Survey (GHS) - annual cost to OPCS £905,000 and 45 staff covering a sample of 15,000 households. Started in 1971 it is designed to meet the needs of a large number of departments for information about the economic and other circumstances of households, their use of public services, health, attitudes to work etc. It is the only regular source of information about the relationship between a wide range of social and economic variables (attitudes to pay of public sector workers, for

example, or the family circumstances of the unemployed or the purchase of property by sitting tenants). The Cabinet Office sponsors the survey, which means that in theory the Prime Minister is responsible for it. It is the only survey for which that is the case. Between 1979-80 and 1980-81 the cost of the GHS rose from £695,000 per annum to £905,000 per annum.

18. OPCS has available a long list of departmental uses to which the survey's data have been put. The survey has suffered from computing troubles and departments still assert that their access to data is not good enough. Nevertheless, the list of actual uses is long. It is, however, for the most part a list of "desirable" rather than "essential" uses. The GHS seems to be one of the sources departments turn to when there are no other more specific data available.

19. In principle, there is sense and economy in the idea of a continuous multipurpose survey with core questions to which others are added from time to time as departments see the need arising. The approach may save the expense of individual ad hoc enquiries and the marginal cost of each question is low. The OPCS examining officers observed, "although the survey is popular with departments, it is not self evident to us that social phenomena really necessitate this continuous monitoring". They went on to recommend a reduced sample or frequency for the survey to save £200,000 per annum.

20. The Director of the CSO would accept a reduced sample but considers the survey gives value for money, particularly because of its flexibility in accommodating new questions and in analysis of past results. It is also true that to axe the survey would be likely to create an outcry that the government does not want to know about the well-being of its citizens. There would be added pressure for ad hoc surveys which could soon run up a £900,000 bill.

21. We advise the survey be continued, on a reduced sample as recommended, at a cost of not more than £650,000 pa provided that Departments use the GHS and thereby save other surveys. The GHS should require re-authorisation each year by the Director of the CSO, acting on behalf of the Prime Minister. His decision should take into account whether the specific uses of GHS data in the preceding year, and known planned uses, justify its continuation. A log of specific uses by departments should be maintained at the CSO.

22. There are tentative plans to expand the bi-ennial labour force survey for which the European Community pays between a quarter and a third of the cost. We recommend that the presumption should be that any extra costs should be offset by savings elsewhere. We also recommend that the Head of the GSS should keep under review the costs of the central multipurpose social data such as from the population census, the FES, the GHS and the labour force survey. He should advise Ministers on the most efficient configuration - which should be carried out on a subscription basis - and how to keep costs of the package of surveys in real terms to current levels. We consider it would be prudent to assume there will not be a full mid-term population census in 1986.

23. As to ad hoc surveys, it is doubtful if government has so large a requirement for its own operation as the OPCS capacity indicates. We do not believe the allied service arrangement brings sufficient sharpness to departments' decisions about the need for, form and cost of social surveys. Indeed, there is some evidence that fringe bodies for whom the Division already does work on payment terms have sought social surveys done to a "budget" rather than the "Rolls Royce" job the Division normally provides. Departments already make good use of private sector companies for social surveys - including large and complex work such as the National Dwelling and Household Survey. About 85 per cent of all government social surveys are contracted out. We recommend that as the current work programme ends the aim should be to contract out all ad hoc social surveys where private sector costs are less than those of the OPCS. We think this will usually be the case. We also recommend surveys conducted by the Social Survey Division should be on payment terms. To add force to the search for economies our view is that the costs of future ad hoc surveys should be met from existing departmental budgets.

24. The Division should continue to act as a central co-ordinating body for government survey research and provide a technical and managerial advisory service as required by departments. Departments should consult it about surveys before undertaking or contracting out work within its competence.

25. In recent years the Survey has started around 15-20 ad hoc surveys a year, some costing over £200,000. Examples are listed at the end of this report. If all but a handful were contracted out or stopped we estimate savings of up to 100

staff and £1½ million a year (if the costs were met from existing departmental budgets). We are aware, however, that there could be difficulties in redeploying in the civil service the 20 or so Social Survey Officers whose posts would go. Social Survey Officers are a departmental specialism employed only in the OPCS. This could affect the timing of the adjustments although there could well be opportunities for them in the private sector. Those remaining (about 30 out of the 50) would not constitute a viable career group and would have to be absorbed into other Groups.

26. For the future, we recommend OPCS should accord a higher priority to producing timely results in all its statistics activities. It has been suggested that the process of encouraging researchers to sign their reports has had an inhibiting effect on timeliness because the researchers gain professional approbation through a fulsome and perfectionist attention to technical details. We do not think there is anything wrong in having reports signed in this way provided they appear on time. We propose the performance of individuals responsible for surveys should be judged on the basis that meeting their deadlines is more important than great refinement.

27. With the reduced responsibilities we propose and the streamlining proposed in the departmental study the Registrar-General has indicated he would expect to slim down senior posts in the office by up to two, saving between £40,000 and £80,000 per annum.

Macro-economic Statistics

28. The CSO report refers to the value seen by the Head of the Government Statistical Service and the government's Chief Economic Adviser in maintaining continuity in the economic aggregates making up the national accounts. Their compilation draws on a wide range of data, most of whose cost falls on business and departments. In a special exercise, departments estimated that the marginal cost of the quarterly and annual national accounts is about £3 million per annum, only £½ million of which falls on the CSO itself. Associated with the national accounts are several other long standing macroeconomic indicators including the monthly index of industrial production.

29. There are two questions about this work -

- i. Is it necessary to have a monthly index of production and to have quarterly/annual national accounts?
- ii. Are all the supporting data in the departments necessary?

30. We must accept the technical judgements of the Chief Economic Adviser and the Head of the Government Statistical Service that the monthly index of production and the quarterly national accounts are essential broadly in their present form. The monthly index of production is the quickest wide-ranging indicator of economic activity (only six weeks in arrears) and, for the most part, measures economic activity directly. Whatever economic policies the government is following the Chancellor and the Cabinet need to have up to date information on output and its main industrial composition. Similarly, the government ought to have a broad statement each quarter of economic progress, including an analysis of the real economy. The Chancellor's recent review of economic forecasting in the Treasury, for example, has largely confirmed the structure of economic forecasts. Such forecasts require comprehensive quarterly national accounts. Although the economic forecasts are not the only justification of those accounts they are a significant Ministerial use, so that the decision to continue with them in broadly the same scope and detail effectively prejudices the scope and detail of the national accounts. Part 1 of the report comments (in paragraphs 60-64) on the appropriate relationship between the Treasury and the CSO.

31. Following the project undertaken by Mr Holmes on statistical services in the Departments of Industry and Trade, officials have made proposals regarding monthly production data to reduce the Departments of Industry and Trade costs from about £500,000 a year to £230,000 a year. This reduction is consistent with the continued availability of a monthly index of production. We advise that the index is continued on this basis. Reductions have also been agreed on the contribution required of MAFF.

32. On the other hand, continuation of the monthly index of production and the quarterly national accounts does not rule out a slimming down of the industry and commodity detail within the aggregate totals. The macro economic experts in the central departments left us with the impression that they could tolerate such a move. Of course this is not easy when the aggregates are built up from the detail. Nevertheless, we are not satisfied that there needs to be so much detailed progress watching over individual industries as frequently appears the case. Not only does the CSO have its quarterly production accounts, industrial statistics are also prepared in support of the Treasury's Industrial Assessment System - which uses quarterly data for 30 industries - and for a more elaborate annual system, the Disaggregated Industrial System, operated by the Department of Industry using annual data for 90 industries. We question whether it is necessary for a government which is seeking to remain at "arms length" from industrial involvement to require data on this scale. These issues carry us into the heartland of government industrial policies. They are not for resolution in this review but they illustrate that the government cannot get rid of all the statistics that might be saved unless it is prepared to take a close look at the policy requirements.

33. In the Department of the Environment the examining officer recommended an urgent review of data requirements for the sponsorship of the construction industry. This is currently under way and may be expected to result in substantial reductions in construction statistics. We suggest the Department of Industry do the same thing for the industries it sponsors.

34. The DIT report and the DOE/DTp report remitted to us three further questions concerning central economic requirements -

- i. Can the census of distribution and service trades be made two yearly?
- ii. Do we still need the asset breakdown in the investment intentions inquiry?
- iii. What are the central requirements for construction statistics?

Census of distribution

35. Maintenance of the quarterly and annual national accounts system will require continued annual figures for capital investment and stock building. We are told the quarterly series are not sufficiently reliable to dispense with an annual benchmark. In the circumstances there is no alternative but to continue to collect capital expenditure and stockbuilding data annually from these trades. The other reductions proposed in Mr Holmes' report should nevertheless be implemented.

Investment intentions

36. On the investment intentions inquiry the important decision - to reduce the frequency from three times to twice a year - has already been implemented. We accept the views of the DIT working party of officials to review in 1982 the far less important recommendation to curtail the asset breakdown.

Construction

37. There are three main customers for economic data about the construction industry. The macro-economic accounts require quarterly estimates of construction output analysed into public and private sector, new house-building and other work. The second is the DOE sponsorship role and the needs of the industry itself. The third is the Commission of the European Community. There are two Community Directives requiring (a) monthly orders and output data and quarterly employment data; (b) annual censuses of production in various industries, including construction.

38. To meet these requirements there are two largely independent systems:

i. DOE monitoring series which are reasonably rapid and draw on a number of complementary short term inquiries. These inquiries are used to meet the European Community obligation for monthly and quarterly statistics.

ii. The Annual Census of Construction, under which the Business Statistics Office issues 5000 forms at an annual cost to central government alone of £210,000 seeking a mass of financial information which can only be collected after companies have drawn up their financial accounts. The CSO makes partial use of this information for the national accounts but could not justify the full detail. It is justified by the European Community requirement.

39. We are concerned at the mismatch between the two systems. Most departments think the annual census unnecessary but we doubt if it is realistic to seek a derogation from the European Community Directive. The question, therefore, is whether its requirements can be met without conducting a separate census. The statistical services have assumed so far that this would not be possible without a deterioration in quality below that which is usually associated with United Kingdom statistics. We recommend the Head of the Government Statistical Service and the statisticians in DOE and the BSO should reconsider whether adequate annual data could not be provided without conducting an annual census.

40. Failing that, if the DOE can reduce its need for sponsorship information the national accounts needs might be restructured to use only the data required by the European Community. Any information about small firms could be collected, say, once every five years under the annual census possibly with the further simplification of using VAT information to update the sampling register in between times (though more detailed work may be necessary on the way in which traders are classified in VAT information).

External trade statistics

41. The Customs and Excise report drew attention to the substantial costs imposed by the proposed new arrangements for export documentation by traders. It recommended that these should be reviewed to see whether a simpler, less error prone system of one stage documentation could be developed more in line with that operated by many European countries. Under the proposed United Kingdom system we understand over 100 extra staff will be required, partly to match up traders' initial returns with the detailed documentation presented after shipment.

42. There are wider issues involved and any changes would meet opposition from trade interests with whom the new arrangements have only recently been negotiated. Nevertheless, the statistical penalties must be taken either in loss of quality in the trade statistics or in extra costs. It may not be practicable to abandon the proposals negotiated with the trade, but given that the Chancellor of the Exchequer has said that a reduction of quality is acceptable in the macro-economic statistics the potential savings should be pursued vigorously. The

Departments of Industry and Trade Ministers are the appropriate judges of what service must be provided to business users and should be brought into the discussion. In our view, if pre-entry is ruled out, those departments should recompense Customs for the work necessary to bring the export statistics up to the standard they require. We recommend the Ministers concerned have early discussions on the subject.

Local authority finance

43. Several of the reports have borne on the data collection and analysis costs associated with the current and future systems of distribution of Rate Support Grant to local authorities. Valuable work has been done in some areas in simplifying and reducing the returns required from local authorities, both administrative and financial. But this threatens to be overtaken by the many pressures which exist for ever more detail of ever increasing accuracy about the "expenditure needs" of individual local authorities.

44. Not all of this pressure comes from the local authorities. There is a natural tendency for central departments to want ever more information in their own spheres of interest. We are not persuaded that all the information at present collected "on behalf of the DOE for the calculation and distribution of Rate Support Grant" is fully justified for that purpose. The indications are that even more information may be proposed by some departments to back up the new block grant arrangements.

45. About half of local authority expenditure is on education. There is a very large amount of data collection and analysis on education done for the Rate Support Grant. This seems to be substantially greater than that required by other departments. The DES report passed no comment on this. But we note that DES Ministers say the data available to support policy formation is too meagre rather than the reverse. DES seems to be in the forefront in work to develop more detailed and precise calculations of spending needs.

46. The report on DOE/DTP recommended the establishment of a joint central government/local authority agency to provide "a common financial data base, accessible equally to both sides and free from any accusation that one side or the other was manipulating the statistics themselves or their timeliness".

47. We have doubts about the desirability of setting up yet another joint central and local government body in a field which is already liberally supplied with them, but have considerable sympathy with the aim of establishing the joint cost of the statistical base required for local authority finance and an equitable sharing of this burden. We recommend the Secretary of State for the Environment, in consultation as necessary with the Secretary of State for Education and Science and other Ministers concerned, should set up an early examination on these lines of the present and future costs to local and central government of the information required for local authority finance. It would be difficult to do this immediately while the legislation on the new block grant arrangements is still in progress. But once the new arrangements are in force it would be highly desirable to quantify their likely information costs with a view to seeing how they might be reduced, limited and equitably shared between local and central government.

I B BEESLEY
R H WILSON

January 1981

Note on OPCS SURVEYS

Continuous surveys

<u>Survey Subject</u>	<u>Sponsor Dept(s)</u>	<u>Cost £</u>
International Passenger Survey	DIT	690,000 pa
General Household Survey	CSO	905,000 pa
Family Expenditure Survey	DE	704,000 pa
National Food Survey	MAFF	240,000 pa
Consumer Buying	DE (European Community)	21,000 pa
(AGB) Housing	DOE	42,000 pa
(NOP) Armed Forces	MOD	5,000 pa
(NOP) Attitudes to Smoking	DHSS	16,000 pa
FES/NFS merger Feasibility Study	CSO	231,000
GHS Scottish sample	SO	12,000pa

MANAGEMENT IN CONFIDENCE

Ad hoc surveys: 1978/79 - 1980/81

<u>Survey Subject</u>	<u>Year Started</u>	<u>Sponsor Dept(s)</u>	<u>Cost £</u>
Population census tests	1978	OPCS	82,000
Privately Rented Accommodation (England and Wales)	1978	DOE	154,000
London Airport: destinations	1978	CAA	3,000
Stonehenge	1978	DOE	3,000
Migration survey	1978	OPCS	25,000
Family Property	1978	Scot Courts Admin	93,000
Sharers of Accommodation	1978	DOE	121,000
National House Movers	1978	DOE	95,000
Drinking habits England and Wales	1978	DHSS	70,000
Free School Meals	1978	DES	31,000
Sampling for Labour Force Survey	1978	DE	32,000
Housing Needs of the Unmarried	1978	DOE	65,000
Adult Heights and Weights	1979	DHSS	181,000
School Children	1979	DES	91,000
Community Nurses	1979	DHSS	226,000

MANAGEMENT IN CONFIDENCE

Effects of Direct Taxation on Incentives and Labour Supply	1979 & 1980	Treasury	349,000
Women and Employment	1979	DE	290,000
Family Resources	1979	DHSS	207,000
Museum Visitors	1979	DES	150,000
Teenage Mothers	1979	DHSS	22,000
TOPS trainees	1979	MSC	70,000
Christmas Bonus	1979	DHSS	15,000
Youth Opportunities Programme	1979	MSC	102,000
Field test of Optical Character Reading etc.	1979	OPCS	72,000
Transfer passengers	1979	CAA	18,000
Postgraduate income	1979	DES	23,000
Rent Arrears (pilot)	1979	DOE	4,000
Survey of Former Postgraduates	1980	DES	41,000
Infant Feeding	1980	DHSS	92,000
Census Post Enumeration Survey (pilot)	1980	OPCS	26,000
The New Smoking Survey	1980	DHSS	209,000
Regional Drinking	1980	DHSS	131,000
Teenage Mothers	1980	DHSS	17,000

SYNOPSIS OF DEPARTMENTAL REPORTS AND PROGRESS ON IMPLEMENTATION *

CENTRAL STATISTICAL OFFICE

<u>Supervising Minister:</u>	<u>Prime Minister</u>
<u>Examining Officers:</u>	Mr Beesley
	Mr Wilson
	Mr Wise

Total cost: £3.7m pa
Manpower 237

Recommended saving: £1.12m pa (30%)
Manpower: 46 (19%)

The main recommendations are for limiting work to the essential, ending the subsidy on editorial costs of CSO publications, and restructuring the Office to save senior posts.

Implementation: Sir Robert Armstrong has submitted the final draft report.

HOME OFFICE

<u>Supervising Minister:</u>	Mr Whitelaw
<u>Examining Officer:</u>	Mr Morris

Total cost: £3m pa
Manpower 363

Recommended saving: £0.68m pa (23%)
Manpower: 78 (21%)

Reducing tasks to the essential, simplification and improved computing contribute most of the savings. The report proposes better control through annual presentation of all costs by director of statistics to policy heads in the department and using activity thresholds for testing value for money of new work.

Implementation: Mr Whitelaw accepts the guiding principle of doing the minimum of statistical work and doing it well. Extensive further consultation in hand. Only small immediate savings but he hopes for a reduction of 36 in staff of the Statistical Department.

*In some cases, the estimates of recommended savings include aggregates of part units of staff.

MANAGEMENT IN CONFIDENCE

LORD CHANCELLOR'S DEPARTMENT

Supervising Officer: Sir Wilfrid
Bourne
Examining Officer: Mr Tye

Total cost: £0.66m pa
Manpower 74

Recommended saving: £0.09m pa (14%)
Manpower: 12 (16%)

Report concentrates on methods and recommends cutting out duplicative records and an unnecessary analysis of criminal statistics. Mr Tye identifies a net saving by centralising and computerising information processing.

Implementation: The Department has accepted the thrust of the report. Action to implement its recommendations is partly in hand; computerisation of the Crown Courts and legal aid statistics requires feasibility study.

FOREIGN AND COMMONWEALTH OFFICE - OVERSEAS
DEVELOPMENT ADMINISTRATION

Supervising Minister: Mr Marten
Examining Officer: Mr Ireton

Total cost: £0.54m pa
Manpower 36

Recommended saving: £0.17m pa (31%)
Manpower: 14 (39%)

The report recommends concentrating statistical work on the essential, reducing direct involvement of statistical staff in technical assistance overseas, increased computerisation and eliminating over-staffing.

Implementation: Mr Marten has approved all the report's recommendations. Firm action is already in hand to implement all but two of Mr Ireton's recommendations which have to be pursued with other interested parties.

INLAND REVENUE

<u>Supervising Minister:</u>	Lord Cockfield
<u>Examining Officer:</u>	Mr Blythe

Total cost: £5.7m pa
Manpower 608

Recommended saving:	£0.76m (13%)
Manpower	80 (13%)

Half the savings come from simplification of data collection: the rest come from introducing sampling and reductions to the essential need of the department. Mr Blythe recommends charging other departments for discrete, readily costable output.

Implementation: Lord Cockfield has agreed to more than 80% of the savings recommended.

CUSTOMS AND EXCISE

<u>Supervising Minister:</u>	Lord Cockfield
<u>Examining Officer:</u>	Mr Hellier

Total cost: £9m pa
Manpower 1200

Recommended saving:	£2.7m (30%)
Manpower:	420 (35%)

The report concentrates on the complexities of processing external trade statistics. Main savings arise from the direct input of data from export documents to the ADP system; reduced checking and validation; and using new and increased computer capacity from 1985 and developing more sophisticated software.

Implementation: Lord Cockfield has agreed recommendations to save 158 posts, and accepts the broad principles for saving another 250 posts, subject to further study. A proposal to require exporters to complete documentation as a single exercise before goods are exported (instead of in two stages) has been rejected. This rejection will mean over 100 extra staff.

MANAGEMENT IN CONFIDENCE

MINISTRY OF DEFENCE

Supervising Minister: Lord Strathcona
Examining Officer: Mr Smith

Total costs: £4m pa
Manpower 287

Recommended saving: £0.50m pa (13%)
Manpower: 50 (17%)

Main savings come through reduction or cessation of work to match essential needs. Recommendations for regular, rigorous reviews of statistical needs by users and for stronger central authority for the defence statistics organisation.

Implementation: MOD officials have put proposals to Lord Strathcona for action to implement all but one (organisational) recommendation.

CIVIL SERVICE DEPARTMENT/GOVERNMENT ACTUARY'S DEPARTMENT

Supervising Minister: Mr Channon
Examining Officer: Mr Wright

Total costs: £1.1m pa
Manpower 91

Recommended saving: £0.12m pa (11%)
Manpower: 8 (9%)

The report supplements CSD's re-appraisal of its essential needs leading to a cut-back on CSD's personnel record information system for management (PRISM) and manpower planning. Also recommends savings from organisational change and slimming CSD's publication, "Civil Service Statistics".

Small savings proposed for GAD by cancelling an occupational pensions survey and moving from annual to biennial population projections.

Implementation: Mr Channon's decisions on CSD's statistical services subsume the recommendations and will raise the level of savings since May 1979 to more than 35% (over £400,000 pa and 50 staff).

Awaiting decisions on GAD.

DEPARTMENT OF EMPLOYMENT/MANPOWER SERVICES COMMISSION

Supervising Minister: Lord Gowrie
Examining Officer: Mr Brimmer

Total cost: £14m pa
 Manpower 1220

Recommended saving: £4m pa (29%)
 Manpower: 400 (33%)

The main savings arise from reorganising and reducing the frequency of the Census of Employment; basing the count of the unemployed on statistics from Unemployment Benefit Offices; abolishing three earnings surveys and stopping collection of information for "Time Rates and Wages".

Implementation: Officials' initial views that the majority of the recommendations should be acceptable.

HEALTH AND SAFETY EXECUTIVE

Supervising Officer: Mr Simpson
 (HSE Chairman)
Examining Officer: Dr Cohen

Total cost: £0.77m pa
 Manpower 54

Recommended saving: £0.1m pa (13%)
 Manpower: 9 (17%)

A variety of small improvements through cutting out unnecessary work, securing staff savings following computerisation, regular control of statistical activities, costing work in advance and charging for ad hoc requests. Small reduction in form filling burden proposed.

Implementation: The HSE has accepted the main body of the recommendations.

MANAGEMENT IN CONFIDENCE

MINISTRY OF AGRICULTURE, FISHERIES AND FOOD (including the Intervention Board for Agricultural Produce and the Forestry Commission)

Supervising Minister: Mr Wiggin
Examining Officer: Mr Reed

Total cost: £5.44m pa
Manpower 313

Recommended saving: £1.5m pa (28%)
Manpower: 84 (27%)

The report recommends widespread reductions in statistical surveys and enquiries, and a reorganisation and reduction of frequency and coverage of the June Agricultural Census. Mr Reed is critical of MAFF's use of computers and control of statistical work. He recommends the preparation of a separate report on fisheries statistics which has just been received.

Implementation: MAFF Ministers have said they are looking to implement most of the report and attach emphasis to reducing the burden of statistical work. I am in touch with them about firming up the action plan to realise the savings Mr Reed recommended. On fisheries statistics the scope for savings depends on the negotiations to adopt a Common Fisheries Policy in the European Community.

DEPARTMENTS OF THE ENVIRONMENT AND TRANSPORT

Supervising Ministers: Mr Heseltine
Mr Fowler
Examining Officer: Mr Perry

Total cost: £13.95m pa
Manpower 500

Recommended saving: £2.5m pa (18%)
Manpower: 133 (27%)

Analysis of diverse statistical services questions the status quo to produce 115 proposals for change. Savings come mainly from cutting down to essential needs; improving structure and control of statistical work; better use of computing, and increasing revenue from publications through better marketing.

Implementation: Mr Heseltine and Mr Fowler accept the thrust of the report and intend to make financial and manpower savings of the order proposed.

MANAGEMENT IN CONFIDENCE

SCOTTISH OFFICE

Supervising Minister: Lord Mansfield
Examining Officer: Mr Murray

Total cost: £2m pa
Manpower 152

Recommended saving: £0.2m pa (10%)
Manpower: 17 (11%)

The report recommends abolishing, modifying or computerising some activities and future control by a programme budget approach.

Implementation: Lord Mansfield has accepted the main proposals in the report.

GENERAL REGISTER OFFICE (SCOTLAND)

Supervising Minister: Lord Mansfield
Examining Officer: Mr Baird

Total cost: £1.2m pa
Manpower 171

Recommended saving: £0.06m pa (5%)
Manpower: 6 (4%)

The report points to potential savings from greater co-operation with OPCS. Savings come from simplification, reduced checking and charging for publications.

Implementation: Lord Mansfield has accepted almost all recommendations. GRO(S) and OPCS are in touch about closer co-operation on census planning.

WELSH OFFICE

Supervising Minister: Mr Edwards
Examining Officer: Ms Cramphorn

Total cost: £0.78m pa
Manpower 71

Recommended saving: £0.09m pa (12%)
Manpower: 2 (3%)

Recommends charging for publications, some computerisation and reductions in frequency of data collection.

Implementation: Mr Edwards accepts all the recommendations.

NORTHERN IRELAND DEPARTMENTS

Supervising Minister: Mr Rossi
Examining Officer: Dr Van Slooten

Total cost: £3.2m pa
 Manpower 245 (in NI Depts)

Recommended saving: £0.38m pa (12%)
 Manpower: 35 (14%)

Dr Van Slooten co-ordinated 8 examining officers in NI departments. Main recommendations are for stopping unnecessary work, reducing frequency and more use of sampling. Some examining officers saw scope for improved value for money from future computerisation.

Implementation: Mr Rossi expects to implement the main general recommendations and most of the NI departmental recommendations. Action is already under way on some of them.

DEPARTMENT OF HEALTH AND SOCIAL SECURITY

Supervising Minister: Mrs Chalker
Examining Officer: Mrs Reeve

Total cost: £5.06m pa
 Manpower 480

Recommended saving: £1.65m (33%)
 Manpower: 160 (33%)

Recommends a rigorous cutting out of over-elaboration and limiting statistics to the essential. Suggestions for improved computer use, controlling the burden imposed by international obligations, other specialist advisers, academics and researchers.

Implementation: Mrs Chalker already sees her way to implementing over half the recommendations worth over a quarter of the savings, but the recommendations carrying the largest savings involve tricky relationships with the NHS and the medical professions. They will have to be consulted, and both firm and sensitive handling will be needed to achieve effective results.

OFFICE OF POPULATION CENSUSES AND SURVEYS

Supervising Minister: Mr Jenkin

Joint Examining Officers: Mr Craig
Mr Witzenfeld

Total cost: £12.8m pa
Manpower 1100

Recommended saving: £0.5m pa (4%)
Manpower: 22 (2%)

Most of the big issues on OPCS work and control are covered in part 2 of the review and are in addition.

The savings in the departmental report come from reducing or stopping census and survey work and charging. In addition, the examining officers identified savings of £1.5m in processing of the 1981 census and a one-off accommodation saving on computing of £1m.

Implementation: Mr Jenkin is sympathetic to the majority of the recommendations in the report, although some are subject to further consideration. Further decisions and action will be needed on the conclusions in the interdepartmental report about OPCS's work.

DEPARTMENT OF EDUCATION AND SCIENCE

Supervising Minister: Mr Macfarlane
Examining Officer: Dr Herbert

Total cost: £1.66m pa
Manpower 130

Recommended saving: £0.09m pa (5%)
Manpower: 5 (4%)

The savings come from reducing publications and charging for bulletins. There are also recommendations for improving the timeliness of some statistics and for better control. But I think that much more could be done to restrict activity to the essential at the expense of the merely desirable or less valuable work.

Implementation: Mr Macfarlane does not share my critical reaction as, in his experience, the data available to support policy formation is too meagre rather than the reverse. We are in correspondence about the action document to follow the review.

	Statistics divisions only:		All statistical services:			Reduction:	
	Jan. 1966 ⁽¹⁾	April 1979 ⁽¹⁾	May 1979	Spring 1980	April 1984 ⁽²⁾	May 1979 to April 1984 ⁽²⁾	
	Nos.	Nos.	Nos.	Nos.	Nos.	Nos.	(%)
Central Statistical Office	96	263	263	237	191	72	(27)
Home Office	123	149	363	363	272	91	(25)
Lord Chancellor	-	12	74	74	62	12	(16)
Overseas Development	31	32	36	36	22	14	(39)
Inland Revenue	179	274	608	608	313	295	(48)
Customs and Excise ⁽³⁾	634	1039	1296	1200	780	516	(40)
Defence	379	274	292	287	237	55	(19)
Civil Service Department	n/a	35	107	84	48	59	(55)
Government Actuary	n/a	n/a	7	7	7	-	-
Employment Group (incl. MSC)	305	352	1260	1220	815	445	(35)
HSE	-	36	54	54	43	11	(20)
Agriculture Fisheries and Food	264 ⁽⁴⁾	300 ⁽⁴⁾	324	313	219	105	(32)
Environment and Transport	369	375	527	500	364	163	(31)
Scottish Office	32 ⁽⁵⁾	113 ⁽⁵⁾	158	152	134	24	(15)
GRO(S) ⁽⁶⁾	29	52	184	171	159	25	(14)
Wales	-	80	90	71	69	21	(24)
Health and Social Security	352	401	517	480	320	197	(38)
OPCS ⁽⁶⁾	358	770	1100	1100	791	309	(28)
Education and Science	81	130	140	130	111	29	(21)
Industry and Trade	919	1381	1381	1343	1040	341	(25)
Energy	83	62	70	70	64	6	(9)
Total⁽⁷⁾	4234	6130	8851	8500	6061	2790	(32)

Memo Item: NI Departments

245 245 210 35 (14)

- (1) The comparison between 1979 and 1966 is distorted by changes in departmental organisation affecting the scope of the statistics divisions. Growth in numbers may not reflect growth in statistical activities. 1966 figures are taken from the Fourth Report of the Estimates Committee 1966-67 on Government Statistical Services.
- (2) After all savings recommended in the departmental reports, the interdepartmental report and other savings in the pipeline.
- (3) The "export strategy" would add back over 100 staff, partly for matching up returns made before and after shipment.
- (4) Including agricultural economists.
- (5) Excluding staff in the Department of Agriculture.
- (6) Excludes extra staff required for 1981 population census. Census division not counted as part of the statistics division.
- (7) Excluding Treasury - not covered by the review; and Northern Ireland whose staff are part of the Northern Ireland Civil Service.

TABLE 2: REVIEW OF STATISTICAL SERVICES - ESTIMATED AND PROJECTED EXPENDITURE⁽¹⁾

Department	All statistical services			
	May 1979 £'000	April 1984 £'000	Reduction 1979-84 £'000 (%)	
Central Statistical Office	4,120	2,630	1,490	(36)
Home Office	3,000	2,180	820	(27)
Lord Chancellors Department	660	570	90	(14)
Overseas Development	540	370	170	(31)
Inland Revenue	5,700	3,360	2,340	(41)
Customs and Excise ⁽²⁾	9,690	6,293	3,397	(35)
Defence	4,090	3,550	540	(13)
Civil Service Department	1,100	680	420	(38)
Government Actuary	90	50	40	(44)
Employment Group (incl. MSC)	15,000	10,000	5,000	(33)
HSE	770	650	120	(16)
Agriculture, Fisheries and Food	5,670	3,990	1,680	(30)
Environment and Transport	14,200	11,400	2,800	(20)
Scottish Office	2,000	1,720	280	(14)
GRO(S) ⁽³⁾	1,300	1,100	200	(15)
Wales	860	680	180	(21)
Health and Social Security	5,560	3,410	2,150	(39)
OPCS ⁽³⁾	12,800	9,500	3,300	(26)
Education and Science	1,700	1,460	240	(14)
Industry and Trade	13,900	11,000	2,900	(21)
Energy	1,125	1,040	85	(8)
Total	103,875	75,633	28,242	(27)
Memo item: NI Departments	3,200	2,820	380	(12)

(1) Staff and non-staff costs based on the CSD Ready Reckoner (1979 edition) comprising basic staff cost, accommodation and common services. In practice it will not always be possible to achieve the full reductions in accommodation and some common services in the timescale envisaged.

(2) The "export strategy" would add back staff expenditure of about £500,000 pa.

(3) Excludes costs of the 1981 population census other than census branch and other permanent staff.

LIST OF THOSE CONSULTED

The report builds extensively on the work of the examining officers in departments. The many interviews and discussions which they had are too numerous to list. The central team working on the review derived considerable benefit from discussions with the examining officers, individually and collectively.

Sir F Atkinson	(D Energy)
Mr D J Baird	(GRO(S))
Mr R A Blythe	(Inland Revenue)
Mr M J Brimmer	(DE)
Dr A Cohen	(HSE)
Mr J Craig	(OPCS)
Ms J Cramphorn	(WO)
Mr L Hellier	(Customs and Excise)
Dr E J Herbert	(DES)
Mr R Holmes	(DIT)
Mr B R Ireton	(FCO-ODA)
Mr R M Morris	(Home Office)
Mr G Murray	(Scottish Office)
Mr N H Perry	(DOE/DTp)
Mr J Reed	(MAFF)
Mrs S Reeve	(DHSS)
Mr R Smith	(MOD)
Mr C F Tye	(LCD)
Dr R Van Slooten	(N Ireland)
Mr C H K Williams	(D Energy)
Mr S Witzendorf	(OPCS)
Mr J R S Wright	(CSD)

2. Senior administrators in the civil service who were consulted were:

Mr R Allison	(D Employment)
Sir R Armstrong	(Secretary of the Cabinet)
Sir I Bancroft	(Head of the Home Civil Service)
Mr A Chemier	(DES)
Mr R Cooper	(DIT)
Mr P Cousins	(Exchequer and Audit)
Mr J Crawley	(CPRS)
Mr K Ennals	(DOE)
Mr L Hawken	(Customs and Excise)
Mr J Lane	(CSO)
Mr R E Radford	(DHSS)
Mr B Unwin	(HMT)
Sir D Wass	(HMT)

MANAGEMENT IN CONFIDENCE

3. The following senior members of the statistical profession were interviewed:

Mr R Barnes	(OPCS)
Mr L S Berman	(DIT)
Sir J Boreham	(Head of the Government Statistical Service)
Mr G W Clarke	(Adviser to Director-General, Statistical Office of the European Community)
Mr K G Forecast	(CSO)
Mr J Hibbert	(CSO)
Miss R J Maurice	(Home Office)
Miss R Morton-Williams	(OPCS)
Sir C Moser	(ex-Head of the Government Statistical Service)
Mr M Murphy	(ex-CSO now London School of Economics)
Mr O Nankivell	(ex-CSO now with Lucas Industries)
Mr G Penrice	(D Employment)
Mr A A Sorrell	(DOE/DTp)
Mr A R Thatcher	(Registrar-General)
Mr E J Thompson	(DOE/DTp)
Mr F E Whitehead	(OPCS)

4. Representatives of the following kindly spared time for discussions:

Confederation of British Industry
Council of Civil Service Unions
House of Commons Library
National Westminster Bank
NEDO
OPCS Trade Union side
Organisation of Professional Users of Statistics
Trades Union Congress

5. The following individuals and institutions wrote with suggestions in connection with the review:

The Library Association
Chief Executive, Kirklees Metropolitan Council
Dr D Rhind and Dr D Storey, University of Durham
South Yorkshire County Council
Mr R Wainwright, MP
Mr A Mitchell, MP
Mr M A F Ashfield, Guinness Ltd

GOVERNMENT STATISTICAL PUBLICATIONS

(A list of the most important publications)

General Digests

Monthly Digest of Statistics	Monthly £4.25 (wef Jan 81)
Annual Abstract of Statistics	Annual £14.00 (Dec 80)
Social Trends	Annual £16.50 (Dec 80)
Regional Statistics	Annual £11.75
Scottish Abstract of Statistics	Annual £8.50
Digest of Welsh Statistics	Annual £6.75
Northern Ireland Digest of Statistics	6-monthly £3.75
Welsh Social Trends	Annual £7.00
Guide to Official Statistics	Biennial £18.50
Statistical News	Quarterly £2.25

General Economic

Economic Trends	Monthly £8.50 (wef Jan 81)
Scottish Economic Bulletin	4-monthly £4.00
Welsh Economic Trends	Annual £7.75
Social and Economic Trends in Northern Ireland	Annual £5.50
British business	Weekly 95p
National Income and Expenditure 'Blue Book'	Annual £10.50
UK Balance of Payments 'Pink Book'	Annual £7.00
Financial Statement and Budget Report	Annual £3.25
Guide to Public Sector Financial Information	£2.50
Input-output Tables for the UK	Annual, in preparation
Price Index Numbers for Current Cost	Periodic, price on
Accounting (Monthly Supplement)	application £7.75 per annum
Economic Progress Report	Monthly, free
CSO Macro-Economic Databank	approximately £20-30 per tape

Public Expenditure

Public Expenditure White Papers	Annual £6.25
Supply Estimates	Annual £23.00
Memorandum by the Chief Secretary to the Treasury	Annual £4.00
Appropriation Accounts (3 volumes)	Annual £29.00
Cash Limits	Annual £1.75
Northern Ireland Appropriation Accounts	Annual £6.50

Industrial Production and Sales

Report on the Census of Production	Each part individually priced
Quarterly Statistics of Manufacturers' Sales	On subscription £3.00 each per annum
	Complete sets £200 per annum

Industrial Production and Sales (cont'd)

Monthly Statistics	On subscription £7.75 each per annum £10.00
Historical Record of the Census of Production 1907-1970	
Classified List of Manufacturing Businesses	Issued in 10 parts, each part individually priced £2.50

Defence

Statement on the defence estimates (2 volumes)	Annual £4.00 each
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Energy

Digest of UK Energy Statistics	Annual £8.50
Energy Trends	Monthly, free

External Trade

Overseas Trade Statistics of the United Kingdom	Monthly £11.00
Statistics of Trade through United Kingdom Ports	Quarterly and annual £7.00
Overseas Trade Analysed in Terms of Industries	Annual subscription £38.30 On subscription £4.00 per annum

Building, Construction Property

Housing and Construction Statistics	Annual £14.00
Local Housing Statistics, England and Wales	Quarterly £2.75
Scottish Housing Statistics	Quarterly £4.00
Digest of Housing Statistics for Northern Ireland	Quarterly 50p
Report on the Census of Production - Construction	Annual £1.50
Private Contractors' Construction Censuses	Annual £2.00
Monthly Bulletin of Construction Indices for	
- Building Works	Monthly 80p
- Civil Engineering Works	Monthly 55p
- Specialist Engineering Installations	Monthly 65p
Price adjustment for building contracts (series 2)	Monthly 90p
Monthly Bulletin of Indices	Monthly 55p-80 p
Rates and Rateable Values in Scotland	Periodic £3.00
Housing and Construction Statistics, Parts 1 & 2	Quarterly £1.15 each
Commercial and Industrial Property Statistics	Annual £3.00

MANAGEMENT IN CONFIDENCE

Mining and Quarrying

Minerals	Annual £1.25
United Kingdom Mineral Statistics 1979	Annual £13.00
World Mineral Statistics 1974-78	Annual £12.00

Manpower, Earnings, Retail Prices etc

Department of Employment Gazette	Monthly £1.65 (annual subscription £22.80)
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New Earnings Survey	Six parts between October and April Each part costs £7.90
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Time Rates of Wages and Hours of Work	Annual £12.00
Changes in Rates of Wages and Hours of Work	Monthly 50p (annual subscription £7.20)

British Labour Statistics: Historical Abstract 1886-1968	£7.00
British Labour Statistics: Yearbook	Annual £20.00
Survey of Personal Incomes	Annual £5.25
Civil Service Statistics	Annual £7.50
First Destination of University Graduates	Annual £6.95

Financial and Companies

Financial Statistics	Monthly £6.50 (wef Jan 81)
Company Finance	Annual £3.50
Insurance Companies' and Private Pension Funds' Investment	Quarterly £4.00 per annum
Acquisitions and Mergers of Companies	Quarterly £4.00 per annum
Local Government Financial Statistics, England and Wales	Annual £2.00
Welsh Local Government Financial Statistics	Annual £4.50
District Councils, Summary of Statements	Annual 50p
Accounts, Northern Ireland	
MA16 Insurance Business Statistics	Annual £3.75
Insurance Business Statistics (1974)	£24.00
District Councils, Summary of Statements of Accounts	Annual £1.50

Taxation

Inland Revenue Statistics	Annual £10.50
Report of the Commissioners of HM Inland Revenue	Annual £2.50
Report of the Commissioners of HM Customs and Excise	Annual £5.25
Betting and Gaming Bulletin	Monthly. Annual subscription £3.91
Spirits Bulletin	Monthly. Annual subscription £6.04
Wine Bulletin (abbreviated)	Monthly. Annual subscription £7.19
Wine Bulletin	Monthly. Half yearly subscription £230.00

Transport

Transport Statistics, Great Britain 1968-78	Annual £7.00
National Travel Survey	
Vol. 1 Crosssectional analysis of passenger travel in GB	£1.10
Vol. 2 Numbers of journeys per week by different types of households, individuals and vehicles	£1.25
Vol. 3 A comparison of the 1965, 1972/73 surveys	£1.80
National Travel Survey 1975/76	£6.50
Road Vehicles - New Registrations	Monthly. £5.40 per annum
Road Accidents	Annual £4.50
Railway Accidents	Annual £3.25
Nationality of Vessels in UK Seaborne Trade	Annual £2.25
Annual Digest of Port Statistics, Vols. I and II	Annual £10 per vol.
Quarterly Bulletin of Port Statistics	Quarterly. £20 per annum
Casualties to Vessels and Accidents to Men	Annual £4.00
Civil Aviation Authority Annual Statistics	Annual £10.00
Civil Aviation Authority Monthly Statistics	Monthly £2.50 (£30.00 per annum)
Accidents to Aircraft on the British Register	Annual £4.00

Distribution and Other Services

Report on the Census of Distribution and Other Services 1971	
Part 1 Retail Outlets	£1.60
Parts 2 to 11-Area Tables	from £1.05
Part 12 Area Summary Figures	£ 2.00
Part 13 Retail Organisation Tables and Service Trades	£2.95
Supplement: Further establishment and organisation tables .	£5.25
Retail Sales (SDM 28)	Monthly £7.75 per annum
Catering Trades	Quarterly £4.00 per annum
Cinemas	Annual £1.25
Annual Statistics on Retail Trades	Annual £4.50

Agriculture, Fisheries and Food

Agricultural Statistics: England and Wales	Annual £4.25
Agricultural Statistics: United Kingdom	Annual £4.00
Farm Classification: England and Wales	Annual £6.75
Agricultural Statistics, Scotland	Annual £6.00
Agriculture in Scotland	Annual £3.25
Scottish Agricultural Economics	Annual £3.30
Welsh Agricultural Statistics	Annual £15.00
Statistical Review of Farming in Northern Ireland	Annual, free
A Century of Agricultural Statistics, GB, 1866-1966	97½p (OUT OF PRINT)
The Changing Structure of Agriculture, 1968-1975	£1.50
Sea Fisheries Statistical Tables	Annual £2.00
Scottish Sea Fisheries Statistical Tables	Annual £4.50
Household Food Consumption and Expenditure (National Food Survey)	Annual £7.50

MANAGEMENT IN CONFIDENCE

Population and Households

Population estimates, England and Wales	£3.00
Annual Estimates of the Population of Scotland	£1.25
The Registrar General's Annual Report for Northern Ireland	£5.75
Population Trends	Quarterly £3.00
Population Projections	Annual £2.25
OPCS Monitors	Periodic free
Family Expenditure Survey	Annual £6.50
Family Expenditure Survey, Northern Ireland	Annual £4.00
General Household Survey	£7.00

Education

Education Statistics for the UK	Annual £6.00
Statistics of Education	
- Vol. 1 Schools	Annual £5.00
- Vol. 2 School Leavers, CSE and GCE	Annual £4.25
- Vol. 3 Further Education	Annual £6.50
- Vol. 4 Teachers	Annual £7.50
- Vol. 5 Finance and Awards	Annual £3.00
- Vol. 6 Universities, United Kingdom	Annual £10.50
Northern Ireland Education Statistics	Annual £6.00
Statistics of Education in Wales	Annual £4.50

Home Affairs

Betting Licensing Statistics	Annual £2.00
Experiments on Living Animals	Annual £3.60
Fire Statistics United Kingdom	Annual £4.25
Control of Immigration Statistics	Annual £4.25
Control of Immigration Statistics	Quarterly, free
Liquor Licensing Statistics for England and Wales	Annual £5.50

Justice and Law

Criminal Statistics, England and Wales	Annual £9.50
Criminal Statistics, Scotland	Annual £3.75
Judicial Statistics, England and Wales	Annual £6.00
Civil Judicial Statistics, Scotland	Annual £1.25
Prison Statistics, England and Wales	Annual £5.25
Report on Prisons in Scotland	Annual £5.00
Report on the Administration of the Prison Services (Northern Ireland)	Annual £3.80
Probation and After-care Statistics, England and Wales	Annual £2.25
Offences Relating to Motor Vehicles	Annual £2.50
Offences of Drunkenness, England and Wales	Annual £1.25
Statistics of the Misuse of Drugs, United Kingdom	Annual £3.35
Serious Offences, Recorded by the Police, England and Wales (Bulletin)	Quarterly, free
Statistics on the Prevention of Terrorism (Temporary Provisions) Act 1974 and 1976 (Bulletin)	Quarterly, free

Health and Safety

Health and Safety Statistics	Annual £3.00
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Health, Social Services and Social Security

Health and Personal Social Services Statistics for England	Annual £8.50
Health and Personal Social Services Statistics for Wales	Annual £5.25
Social Security Statistics	Annual £11.50
Scottish Health Statistics	Annual £10.00
Statistical bulletins on various aspects of social services in Scotland	Periodic, free
Report of the Supplementary Benefits Commission for Northern Ireland	Annual £3.25
Report on the Hospital In-patient Enquiry, Preliminary Tables	Annual £3.00
Report on the Hospital In-patient Enquiry, Main tables	Annual £13.20
Supplementary Benefits, Commission, Annual Report	Annual £6.70

Overseas Aid

British aid statistics	Annual £6.50
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Sources: Government Statistics. A Brief Guide to Sources. 1981 Edition (in preparation); HMSO Daily List.

Annual CSO costs by branch (Feb. 1980)

Branch and Function	£ thousand		
	Costs based on current posts and average 1979/80 staff cost		
	Staff Cost	Computing	Total
Branch 1 (GSS Policy & Survey Control)			
(Programme 1)			
1.1 Survey Control	65	4	69
1.2 GSS Policy	60	-	60
TOTAL	125	4	129
Branch 2 (Publications)			
(Programme 2)			
2.1 Publications (organisation/checking)	125		125
2.2 PRESTEL	21		21
2.3 Press and Information	56		56
2.4 Publicity	39		39
TOTAL	241		241
Branch 3 (National Accounts)			
(Programme 3)			
3.1 Consumers' Expenditure	56	25	81
3.2 Capital Expenditure	60	32	92
3.3 Income Estimates	24	12	36
3.4 National Accounts co-ordination	109	67	176
TOTAL	249	136	385
Branch 4 (Input/Output & Economic Analysis)			
(Programme 4)			
4.1 Input/Output	100	17	117
4.2 Production Accounts; and Investigation of Discrepancies	76	40	116
4.3 QSI Database; Purchases Estimation Development	22	9	31
4.4 Economic Assessment and Briefing	26	-	26
4.5 Cyclical Indicators	15	17	32
4.6 Current Cost Accounting	6	-	6
TOTAL	245	83	328

MANAGEMENT IN CONFIDENCE

£ thousand			
Branch and Function	Costs based on current posts and average 1979/80 staff cost		
	Staff Cost	Computing	Total
Branch 5 (Output, Labour & Prices)			
(Programme 4)			
5.1 Index of Industrial Production and other short term industrial statistics	88	27	115
5.2 GDP(O)	47	13	60
5.3 Labour; Productivity	47	4	51
5.4 Prices	40	-	40
TOTAL	222	44	266
Branch 6 (Public Sector Finance & Expenditure)			
(Programme 5)			
6.1 Central Government	70	34	104
6.2 Public Corporations	51	15	66
6.3 Local Authorities	49	6	55
6.4 General Government	37	3	40
6.5 Research & Development Statistics	20	-	20
TOTAL	227	58	285
Branch 7 (Financial Statistics)			
(Programme 5)			
7.1 Construction, compilation & maintenance of quarterly sector financial accounts (including derived and associated statistics - eg PSBR, monetary aggregates)	99	76	175
7.2 Financial institutions - CSO responsibility for data collection - Building Societies and public sector pension funds	27	13	40
7.3 Construction, compilation and maintenance of company sector appropriation accounts (including revenue account of life assurance and pension funds)	41	20	61
7.4 Development of National and sector balance sheets	32	12	44
7.5 Publication of "Financial Statistics" and Explanatory Handbook (excluding time spent on 7.1 to 7.3) including Telephone service	28	6	34
TOTAL	227	127	354

MANAGEMENT IN CONFIDENCE

		£ thousand		
Branch and Function		Costs based on current posts and average 1979/80 staff cost		
		Staff Cost	Computing	Total
Branch 8 (Balance of Payments)				
(Programme 6)				
8.1	Visible Trade/Credit, Competitiveness	51	10	61
8.2	Services and Transfers, Govt. Account	76	8	84
8.3	Investment; Capital flows; Earnings; External assets and liabilities	72	12	84
8.4	Co-ordination; Publications; Official finance; International Returns; Geographical Allocation	69	18	87
8.5	"Economic Trends"	7	-	7
	TOTAL	275	48	323
Branch 9 (Research)				
(Programme 1)				
9.1	Research and special studies	92	33	125
9.2	GSS software	51	5	56
	TOTAL	143	38	181
Branch 10 (Computing n.e.s.)				
(Programme 2)				
10.1	Databank service	-	10	10
Branch 11 (Statistician Group Management, Regional Statistics, Standards)				
(Programmes 1 and 3)				
11.1	Statistician Group Management	116	-	116
11.2	Training	24	-	24
11.3	Regional statistics	62	3	65
11.4	Classifications	28	-	28
11.5	Release dates	10	-	10
	TOTAL	240	3	243
Branch 12 (Social Statistics)				
(Programme 7)				
12.1	Social Trends	86	-	86
12.2	Social Briefs	39	-	39
12.3	OPCS Liaison	8	-	8
12.4	Interdepartmental Social Statistics	27	-	27
12.5	Distribution of income and wealth	69	24	93

MANAGEMENT IN CONFIDENCE

£ thousand

Branch and Function	Costs based on current posts and average 1979/80 staff cost		
	Staff Cost	Computing	Total
12.6 Redistribution of Income (Annual article)	34	32	66
12.7 Redistribution of Income (Service to Departments)	26	14	40
12.8 Tax and price index	7	-	7
12.9 Family Expenditure Survey	31	-	31
12.10 General Household Survey	16	-	16
12.11 Framework for social and demographic statistics; social protection account; and social indicators	33	-	33
TOTAL	376	70	446
Other Staff Costs -			
1. Director; pt. Dep. Director and commensurate secretarial support (Programme 8)	96		96
2. International Section (Programme 1)	46		46
3. Graphic Design Unit (Programme 2)	99		99
4. Clerical Pool (Programme 8)	22		22
5. Cadets (Programme 1)	28		28
TOTAL	291		291
GRAND TOTAL	2861	621	3482

DRAFT MINUTE FROM THE PRIME MINISTER TO SIR ROBERT ARMSTRONG*

REVIEW OF GOVERNMENT STATISTICAL SERVICES

1. I have noted the scope for savings and managerial improvements suggested by the review of Government Statistical Services. I am grateful for the part played in this by the Director of the Central Statistical Office and by the Departmental Directors of Statistics.
2. I have considered Sir Derek Rayner's comments on the role of the CSO and of its Director, not least in his capacity as professional head of the Government Statistical Service. I welcome the recommendations which clarify the role of the Government Statistical Service in providing an objective and economical statistical service.
3. For the future, I should like the Director to take a particular responsibility with regard to securing value for money. For example, as professional head of the GSS, he should keep before the Directors of Statistics in Departments the scope for economies in their operations and the opportunities provided by statistical methods for reducing costs and improving value for money in Government more generally.
4. Ministers and their senior lay officials need and I believe would welcome sound advice on how to obtain economical but effective statistical services. I should like the Director of the CSO to take the initiative in providing this advice and to continue to make himself regularly available to Departments for this purpose.
5. I confirm that on matters concerning the validity and integrity of Government statistics and the professional competence and standing of the Government Statistical Service, the Director of the CSO, as Head of the GSS, has the right of direct access to me. Where he is providing advice to other Departments, he may deal directly with the appropriate Minister. On other matters, and particularly on the cost and management of the CSO, the Director should report in the first instance to you.

* Or in the form of a minute from the Principal Private Secretary

MANAGEMENT IN CONFIDENCE

6. I hope to make an announcement very shortly about the outcome of the review. As regards following up the review I have asked the Lord President of the Council to take the lead on my behalf in following through the review to implementation with a view to publishing a statement of the results early this year. I should be grateful if you would arrange for the Director to assist him. I am inviting the Lord President to look to the Director to report on progress with the implementation of recommendations in a form which can be issued publicly.

7. Subsequently, I should like to be kept informed - by means of an annual report - about the cost of Government Statistics and the contribution they are making to economies and improvement in the public sector.

CHECK LIST FOR ASSESSING STATISTICAL WORK - GUIDANCE TO EXAMINING OFFICERS

GENERAL APPROACH

The Study Officer's approach will be based on four themes -

1. Discover the NATURE of the work being done. As far as possible divide into -
 - the assembly of data including the preparation, conduct and processing of statistical surveys or enquiries.
 - the analysis, compilation and presentation of data eg into simple and complex statistical series.
 - the analysis and interpretation of statistics in a policy context, sometimes on an ad hoc basis.
 - certain other related work such as dissemination of data, methodology, research etc which will also need to be identified and assessed.
2. Discover the FACTS in terms of -
 - how, where and when the work is commissioned, why
 - how, where, when and by whom it is done
 - how much it costs
3. QUESTION particularly why and how the work is done, whether value for money is given, how sensitive the costs are to changes in specification, what changes could be made and with what effect. Make use of any other studies reviews etc which are in hand or have recently been done. You don't want to duplicate work. On the other hand you have licence to go behind the products of studies if you want to probe more deeply.

4. Make RECOMMENDATIONS for action to cut costs and to get better value for money. Test them with senior people in the Department who use and supply the work and with the review team but don't allow yourself to be overborne by vested interests. If you feel it is right, give your Minister radical options: "If you will accept [X] you can save [Y]". Tell him what he would lose and what he would gain. He can decide.
5. Finally, prepare advice on the improved management of the statistical services in your department. Who should formulate policy on this? How? How are costs and benefits to continue to be monitored?

TYPICAL QUESTIONS

6. What are the services (output) provided by each Division (headed at Chief Statistician/SEA/AS or equivalent) as statistical series or advice with associated detail/accuracy/frequency/timeliness. (Divide into categories in theme 1.)
7. What are the associated main costs
 - a. Cover salary and accommodation costs arising in the Statistics Directorate itself, computer costs on behalf of these outputs and other significant collection and processing costs incurred on behalf of the statistical work of the department.
 - b. Assess the burden imposed on those outside the department and outside the Government Statistical Service, particularly outside government. (It is not necessary to conduct an elaborate exercise on this account, rough assessments will do).
8. What aspects of the outputs are particularly cost sensitive- costs to government, to the private sector and to local authorities; ie what is the saving from a marginal reduction in accuracy, timeliness, frequency.

9. Assess the need for output

a. Consider the consequences if it were discontinued, reduced in cost. If necessary question the need for the decisions which use the information. Ask yourself what can be done with the statistics produced. Watch for: others inside or outside government who produce the same or similar output; over-elaboration (eg adding extra details to a basic need); data collection systems whose justification is ad hoc requests which need not be met so expansively.

b. Seek the justification of each output. Check it out with the users in your Department. Are you satisfied they justify all the work and that essential work is not ignored? Users in other departments may be checked by the central team and should be clearly identified.

10. How effectively is work done-

- are essential user needs met, under-met, or over-met. Is there too much effort on merely useful or interesting work?
- what complaints have there been about a survey, why?
- do users get value for the taxpayers' money? (NB an approximate speedy answer to the question(s) asked is greatly more valuable than a precise, late answer or an answer to a similar (but different) question).
- what improvements in value for money can the users/the statisticians suggest (eg timing, frequency, coverage, less statistical refinement such as chasing non-respondents, data linkage). NB the extra value may accrue to those who fill in forms or to government.
- watch for: filters between ultimate users and statistician (eg by routing all requirements through administrators or economists), the trade-off between speed and accuracy/detail, proliferation of publications for generalised users.

11. Question the use of ADP

- establish what benefit the statistical activities have had from the growth in statistical computing costs in recent years. Has it added to costs or to savings. Why? Compare the views of statisticians and data processing managers about how the statistical computer service matches (falls short of or exceeds) requirements.
- what encouragement is there to economy and cost-consciousness? How are adp users confronted with the costs of their proposed work? Watch for duplication of man and machine and expensive data preparation arrangements. Is standardised software widely used or is it expensively tailor-made?

12. Evaluate what is done to make users aware of the full costs of their statistical requirements and to control costs?

- do customers outside the department pay for the service in full?
- are customers inside the department regularly confronted with the costs of their requirements? How? How regularly? What's the result?
- who authorises staff and money for statistics? How effective do they think their control is?
- is there a regular review of ongoing work?
- are all staff fully occupied all the time (eg at peaks and troughs?)
- when was the need for the work last thoroughly reviewed?

13. RECOMMENDATIONS

A. What work could cease and with what effect on the user and savings to the department?

B. What work could be modified in some way and with what effect on the user and savings to the department?

MANAGEMENT IN CONFIDENCE

- C. What improvements could be made in cost consciousness, value for money and the control of work?
- D. What charge should be made for statistical output?
- E. What would be the financial and manpower savings from conclusions A, B, C, and D and when would they occur?
- F. What work depends on or supports other government departments' work?