



[Blue copy:  
Mr. Pattison]

## CABINET OFFICE

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22 December 1980

The Rt Hon Lord Soames CH GCMG GCVO CBE  
Lord President of the Council

*See below to her.*

### REVIEW OF STATISTICAL SERVICES

1. The Prime Minister asked me in January to conduct a Review of the Government's Statistical Services and to provide you and her with a Report.
2. It is now very nearly ready and I am sending a copy to you tomorrow. I have shown it to Ian Bancroft, Robert Armstrong, Douglas Wass, John Boreham (head of the Central Statistical Office) and a few other Permanent Secretaries who have in general greeted it favourably. I should like to get it to the Prime Minister as soon as possible after Christmas, but first, I should be grateful for any comments you might have on handling.
3. I should particularly like to agree with your advice to the Prime Minister on this. My suggestions are set out in the attached draft minute to the Prime Minister covering the report.
4. I think that the Review will have been a very solid success if Ministers achieve the potential savings and other changes it has recommended. CSD contributed very substantially both to its conception and execution; I should like you to know how much I have valued the hard work done on my behalf by Mr Richard Wilson and his staff in FP Division, in collaboration with Mr Ian Beesley, a Chief Statistician in the CSO. I suggest that CSD should now take the lead in carrying the review forward to a successful conclusion. I believe that with determination there is every prospect of substantial savings, not least in manpower, and valuable management improvements.
5. I am copying this to Paul Channon, Ian Bancroft and Robert Armstrong.

*Derek Rayner*  
Derek Rayner

DRAFT OF 22 DECEMBER 1980

PRIME MINISTER

REVIEW OF GOVERNMENT STATISTICAL SERVICES

1. I attach the report on the Review of Statistical Services which you commissioned in January 1980. The review has consisted of 19 scrutinies in departments; a scrutiny of the Central Statistical Office, reported to you separately; and, in addition to the co-ordination of 19 scrutinies and to conducting the scrutiny of the CSO, the examination of certain inter-departmental questions by a central team (para. 12 below). It followed on a "Rayner project" in 1979 on the joint statistical services of the Department of Industry and Trade; in parallel with it there was a scrutiny (as part of the scrutiny programme) of the economic and statistical services of the Department of Energy.
  
2. I judge that this experiment, in extending the scrutiny technique to a multi-departmental topic, has been a success.
  
3. The Lord President and I propose the following action to carry the Review through to a conclusion.

### Informing Ministers

- Recn. 1 4. The sharing of knowledge gained on a common subject should be an important benefit of the approach. We recommend that you circulate the Report to Ministers who have taken part. This would also provide the opportunity for you to encourage them to implement their report's
- Recn. 2 recommendations vigorously. We recommend that you do this through a Personal Minute; I attach a possible draft.

### Informing Parliament and the public

- Recn. 3 5. We recommend that the completion of the Review and the scale and nature of its proposals should be announced in a short statement to Parliament. You may wish to do this yourself or to ask the Lord President and Minister of State, CSD, to do so.

- Recn. 4 6. Departmental Ministers are consulting outside interests as necessary and making decisions on the recommendations in their own reviews. We recommend that the aim should be <sup>to</sup> complete this as soon as possible and by the end of March at the latest. A few Departments may require a little longer on particular issues, but most have had their Reports since the end of the summer and should have no trouble in meeting this timetable.

7. In our view, it would then be beneficial to make the Report available to Parliament and the public,

Recn. 5

together with a detailed statement of the decisions reached. We so recommend.

8. The timing should conform, we think, with publication of the White Paper on efficiency and elimination of waste which the Lord President is preparing.

Monitoring progress and keeping up pressure from the centre

Recn. 6

9. We recommend that CSD Ministers should see the Review through to implementation, with the help of the Head of the Government Statistical Service. You might ask the Lord President to arrange for the Ministers most concerned to take decisions on the Report's inter-departmental recommendations; to monitor implementation of the departmental recommendations; and to keep you in touch with progress.

The Central Statistical Office

10. You now have the report on the work of the Central Statistical Office. Sir Robert Armstrong is advising you on the decisions which will be needed. I should draw your attention to the reference to the office of Prime Minister in connection with the General Household Survey in paras. 17 and 21 of Part 2 of the attached report and with the CSO review at the beginning of its Annex A. I understand that, in theory, responsibility for the General Household Survey rests with the Prime Minister because <sup>the</sup> survey ranges

over the interests of several Ministers, although I would have thought that, similarly with the population census, it might rest with the Secretary of State for Social Services.

#### Future Duties of the Head of the Government Statistical Service

11. The future duties and accountability of the Head of the Government Statistical Service are matters for your decision. If you agree with my recommendations in paras. 57 to 61, I recommend that you should issue the Secretary of the Cabinet with fresh instructions for the Head of the GSS. A draft minute for this purpose is contained in Annex F of the report.

Recn. 7

#### Acknowledgements

12. The Minister of State, CSD, made the original proposal for the review. I am grateful to him and to the Director of the CSO for providing me with a central team to co-ordinate the separate departmental scrutinies and to deal itself with the inter-departmental questions raised; and I commend<sup>to</sup>/your notice the work done for me by the team, especially Mr R H Wilson, Assistant Secretary, CSD, and Mr I B Beesley, Chief Statistician, CSO.

13. I am also grateful to Ministers and their top management for their co-operation and to Sir Robert Armstrong and Sir John Boreham for the help they have given me throughout.

14. I am copying this to the Lord President, Sir Ian Bancroft, Sir Robert Armstrong and Sir John Boreham.

Derek Rayner

Encs: Draft Personal Minute to Ministers in charge  
of Departments

Review of Government Statistical Services

Draft Minute to the Secretary of the Cabinet  
(forming Annex F of the Review)

DRAFT PERSONAL MINUTE FROM THE PRIME MINISTER TO MINISTERS  
IN CHARGE OF DEPARTMENTS WITH STATISTICAL SERVICES

REVIEW OF GOVERNMENT STATISTICAL SERVICES

1. I am grateful to Ministers for arranging for their statistical services to be examined as part of the government-wide review which I asked Sir Derek Rayner to undertake last January.
2. He has submitted to the Lord President and me his final report summarising the results of the departmental reviews and making general recommendations for the future conduct of our statistical services. I am sending you a copy herewith and shall be announcing the results shortly. I believe that this report should be made widely available and am asking the Lord President to consider how this can be done.

Potential savings

3. We inherited statistical services costing £104 m million a year and using 8800 staff. If all the recommendations made in the review are implemented, there will be savings of £20 million in annual spending and 1700 in manpower. With other actions in hand, it is now possible to contemplate a reduction in the workforce to around 6000 by 1984 at a cost of £75 million. That would be a valuable tightening of our administration, but the costs, activity and manpower engaged would still be substantial. It is accordingly of great importance that we should all apply the recommendations made in respect of our

departments vigorously.

Professional Head of the Government Statistical Service

4. As part of the review I have received a report on the Central Statistical Office. I have approved the proposals put to me by the Director of the CSO and the Secretary of the Cabinet for implementing its recommendations and I have issued guidance for the Director of the CSO, with particular reference to his functions as the professional head of the Government Statistical Service. I place particular emphasis on the help the Director can give Ministers and their departments in the search for economy and greater value in government statistical services generally.

Management

5. The report recommends ways in which we can strengthen our management of these services, drawing on the lessons which have been learnt from the departmental reports. I commend Sir Derek Rayner's advice to you. You will wish to ensure that your senior management, lay and professional, takes full account of it and submits to you early proposals for improved arrangements to keep statistical services cost-effective. Statistics are not an optional extra for good policy management but the watchword should be to do the minimum necessary and to do it well.



6. I invite Ministers to make full use of the advice of the Director of the CSO on economy in statistical services. I have asked him to provide me with an annual report on the improvements in methods and processes across government which have been achieved by the statistical services.

Implementation

7. I have asked the Lord President, with the help of the Director of the CSO, to take the lead on my behalf in following through the review to implementation with a view to publishing a statement of the results in the early part of the New Year. He will be arranging for decisions to be taken by the Ministers concerned on the report's inter-departmental recommendations and will monitor and keep me in touch with progress with the implementation of departmental recommendations.

8. This is copied to Sir Ian Bancroft, Sir Robert Armstrong, Sir John Boreham and Sir Derek Rayner.

MHT

Enc: Review of Government Statistical Services.

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 effective 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.

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

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 <sup>following through the review to implementation with a view to publishing a statement of the results early this year.</sup> ~~implementing its inter-departmental recommendations.~~ 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.