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## 10 DOWNING STREET

From the Principal Private Secretary

12 January 1981

Dear John,

The Prime Minister is grateful to Ministers for arranging for their statistical services to be examined as part of the government-wide review which she asked Sir Derek Rayner to undertake last January.

He has submitted to the Prime Minister and the Lord President his final report summarising the results of the departmental reviews and making general recommendations for the future conduct of the Government's statistical services. I am sending you a copy herewith and the results will be announced shortly. The Prime Minister believes that this report should be made widely available and is asking the Lord President to consider how this can be done.

Potential savings

The Government inherited statistical services costing £104 million a year and using 8,800 staff. If all the recommendations made in the review are implemented, there will be savings of £20 million in annual spending and 1,700 in manpower. With other actions in hand, it is now possible to contemplate a reduction in the workforce to around 6,000 by 1984 at a cost of £75 million. That would be a valuable tightening of the Government's administration, but the costs, activity and manpower engaged would still be substantial. It is accordingly of great importance that the Government should apply the recommendations made in respect of its departments vigorously and promptly.

Professional Head of the Government Statistical Service

As part of the review the Prime Minister has received a report on the Central Statistical Office. She has approved the proposals put to her by the Director of the CSO and the Secretary of the Cabinet for implementing its recommendations and she has issued guidance for the Director of the CSO, with particular reference to his functions as the professional head of the Government Statistical Service. The Prime Minister places 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

The report recommends ways in which the Government can strengthen its management of these services, drawing on the lessons which have been learnt from the departmental reports. The Prime Minister commends Sir Derek Rayner's advice to your Minister. He will wish to ensure

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that his senior management, lay and professional, takes full account of it and submits to him 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.

The Prime Minister invites Ministers to make full use of the advice of the Director of the CSO on economy in statistical services. She has asked him to provide her with an annual report on the improvements in methods and processes across government which have been achieved by the statistical services.

#### Implementation

The Prime Minister has asked the Lord President, with the help of the Director of the CSO, to take the lead on her behalf in following through the review to implementation with a view to publishing a statement of the results around Easter. 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 her in touch with progress with the implementation of departmental recommendations.

I am sending a copy of this letter to Michael Collon (Lord Chancellor's Department), George Walden (Foreign and Commonwealth Office), John Wiggins (HM Treasury), Ian Ellison (Department of Industry), Stuart Hampson (Department of Trade), Brian Norbury (Ministry of Defence), Jim Buckley (Lord President's Office), Richard Dykes (Department of Employment), Kate Timms (Ministry of Agriculture, Fisheries and Food), David Edmonds (Department of Environment), Anthony Mayer (Department of Transport), Godfrey Robson (Scottish Office), John Craig (Welsh Office), Roy Harrington (Northern Ireland Office), Don Brereton (Department of Health and Social Security), Julian West (Department of Energy), Peter Shaw (Department of Education and Science) and to Sir Ian Bancroft, Sir Robert Armstrong, Sir John Boreham and Sir Derek Rayner.

*Yours ever,*

*Alan Whitehead.*