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PRIME MINISTER
through Sir Robert Armstrong *RA*

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I am writing to oppose the large survey planned for 1986 by the Secretary of State for the Environment.

He and his officials are convinced that the £15 million that it would cost would provide good value for money. They believe that it would improve the efficiency of allocation of rate support grant, also make housing management and inner city management more efficient.

I do not.

In the first place, even if the survey produced perfectly correct figures, the difference between the benefit gained from the extra grant received by the districts which had too little before the survey and the benefit lost by those which had too much, could not exceed half a million pounds per year. That is a matter of mathematics, not belief.

In the second place the survey would not produce perfectly correct figures; there would be sampling and non-sampling errors. The evidence is that the estimates of, for example, the number of men over 65 would be more than 4 per cent wrong in an unknown 120 of the 400 districts. That would not be revealed until the 1991 census results became available, in 1992 or 1993.

More efficient management of housing and inner cities - more efficient, that is, than would be possible without the survey - could not possibly, I am convinced, make up a further £2.5 million per year of benefit from the survey.

I accept, of course, that there are political arguments. The heart of them is that a large and expensive survey would do much to quieten dissatisfaction about the RSG settlement and allocation, at least until the 1991 census results come out.

However, you have charged me to make sure that the £100 million spent each year on statistics provides the government and the nation with full value for money. That must be based on statistical and economic judgements and my view is that this proposed additional £15 million would by no means pay off. I cannot accept that so large an addition to the normal amount could be justified largely because it will calm argument for seven years. Political consideration can swing an argument otherwise finely balanced but this argument, in my view, is not.

Mr Wroe, Director of Statistics at the Department of the Environment, is convinced that I am wrong and that the survey is fully justified. He does not accept that it is valid to separate the statistical and political arguments as I do.

If the survey were to go ahead the contract would need to be settled very soon; the Secretary of State for the Environment wrote to his colleagues copying the letter to Sir Robert Armstrong and me, on 19 March asking for their comments by Friday 29 March. I am sending a copy of this minute to him.

I hope it is not too late to cancel the survey.

John Boreham

JOHN BOREHAM

Central Statistical Office

25 March 1985

I understand that the Secretary of State for the Environment will shortly be sending you a minute, setting out his proposals for a survey.

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