

Prime Minister

This covers one - central - part of the Rayner work on statistics.

The proposed reductions (para 3) are encouraging.

Respite visits (para 8), content for Staff Side to be consulted by Sir Robert? MAF 11/8

Ref. A02863

PRIME MINISTER

Yes no.

Review of Government Statistical Services: Report on the Central Statistical Office

On 21st January, in response to proposals from the Minister of State, CSD, you commissioned a review of government statistical services. You invited Sir Derek Rayner to oversee the review in general and to direct the examination of the work of the Central Statistical Office in the Cabinet Office.

2. Sir Derek will report the outcome of the review as a whole in the autumn. Meanwhile the draft report on the CSO is at an advanced stage. This is the right time to consult the Staff Side in the Cabinet Office on its findings, in accordance with agreed practice for Rayner reviews. The final document can then note, and reflect as appropriate, the Staff Side's observations.

3. The report proposes savings of:

20 per cent in staff numbers, saving 46 staff;

23 per cent in basic staff costs, saving £500,000 a year;

30 per cent on total costs if proportionate savings in accommodation, computing and other overheads are achieved, saving £1 million a year.

4. When your Government came to office the CSO had 263½ staff in post - including 73 professional statisticians. The report proposes an office of 186 with 51 professional statisticians. This would reduce the numbers in the office by over a quarter since May 1979.

5. The proposed savings derive from:

- (a) Reducing the frequency of statistics wherever possible, eliminating duplication, curtailing those quality controls on economic statistics which the study officers judge are not cost effective, and putting other statistics on a caretaker basis when they are not in the policy spotlight - saving over £700,000 pa.
- (b) Fewer posts at senior level (i.e. Assistant Secretary and above) - saving £145,000 pa.



MANAGEMENT IN CONFIDENCE

(c) A new publications pricing regime to cover the cost of editorial work etc., and not just, as at present, printing and distribution costs - to yield an extra £ $\frac{1}{4}$  million pa.

(d) Withdrawing the CSO input into Prestel.

6. The Director of the CSO supports the general line of the report but does not support certain of the recommendations covering about a quarter of the savings, the most important of which is the proposed new pricing strategy. This of course goes wider than just the CSO and will be considered in the interdepartmental report.

7. The report has been prepared by a small team working directly to Sir Derek Rayner, comprising Mr. I.B. Beesley of the CSO, Mr. R.H. Wilson of the CSD and Mr. G.J. Wise on loan from Natwest Bank. Sir Derek has told me that he is impressed with it. He considers that it sets the right tone for his whole review. The report seems to me also sensible and to the point, though obviously neither Sir Derek nor I can comment on the technical details.

Ms | 8. I should be grateful to know that you are content for the study team to consult the Cabinet Office Staff Side now on the basis of a factual summary of the proposals. There is clearly a risk that the proposals will leak from the Staff Side, and that a campaign will be built up against the proposals. Such a campaign might well attract some powerful academic (as well as political) support. But sooner or later we have to face that possibility, and I think that subsequent criticism will be sharper if we have not consulted the Staff Side at this stage. When that is done I will then report back to you with proposals for action on the recommendations.

9. I have discussed all this with Sir Derek Rayner, who agrees with these proposals for handling the report.

RA

(Robert Armstrong)

11th August, 1980



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*Gov. Mark*

MR. WRIGHT  
CABINET OFFICE

The Prime Minister has seen Sir Robert Armstrong's minute (Ref. A02863) about the review of government statistical services.

She has noted his summary of the draft report on the Central Statistical Office, and she is content for the study team to consult the Cabinet Office Staff Side on the basis of a factual summary of the proposals, despite the risk of a leak which might form the basis for a campaign against the conclusions of the report.

M. A. PATTISON

12 August 1980

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