When British governments are forming policy, do they first study the fact and figures relating to the area in question? As a rule, no. Do they define their objectives? Er - no. How about assessing the likely impact? You guessed ! It could explain an awful lot, couldn't it?

This year's lecture was held at the De Vere Cavendish St Jame's, London SW1. The memorial lecture was given by Andrew Dilnot, Director, Institute of Fiscal Studies (IFS).

The Institute for Fiscal Studies is a research institute, which exists to provide economic analysis independent of government, political party or any other vested interest. IFS exerts substantial influence through publications, the media, close contacts with civil servants and regular meetings with Cabinet and Shadow Cabinet members.

Andrew Dilnot joined IFS in 1981, and in the first half of the 1980s wrote the Institute's computer model of the tax and benefit system. He has been Director of IFS since 1991. His main research interests lie in general government taxation and public spending policies, and in the impact of taxation and spending on incomes and behaviour. He has taught at a number of universities in the UK and overseas. He edits the annual IFS assessment of the Chancellor's options for the Budget, the IFS Green Budget. He is a member of the Social Security Advisory Committee, and the government's Evidence Based Policy Panel, has served on many committees of inquiry, and on the Councils of the Royal Economic Society and Queen Mary and Westfield College. He was awarded a CBE in 2000 for services to economics and economic policy.

Andrew Dilnot's theme for the Blackett Memorial Lecture was - The Role Of Quantitative Analysis in Public Policy Making. He began by saying that he had first come across OR during his first year as an undergraduate studying economics in 1978 when he was given a copy of 'Economic Theory In Operations Research' by William Baumol. He said he was confused by what OR was then: "Maybe it is just economics after all, or at least the good bits!"

Andrew Dilnot then proceeded to ask the assembled delegates, a series of multiple-choice questions. There was a reason he said, for this question session, but we would have to wait until later in the evening for him to explain that reason.

Regarding question one Andrew Dilnot said, that in this country there were 940,000 single parents on income support. From a choice of answers he wanted us to to try and guess the correct number of single parent families on income support who were teenagers. Answers were widely disparate ranging from 50, 000 to 450,000, as indeed they were for the remaining questions which concerned such topics as what is the GDP of Britain in £billions? Line up the UK population in order of the amount of high and low income tax payers, and what proportion of those with stakeholder pensions in the UK...
needed some private pension?

After the questions session concluded Andrew Dilnot said: "Why have I done all that? Well some of those answers I'll get back to as I go through other policy areas, one of the other reasons I asked the questions is that to make any sensible statement about almost any form of policy, you ought to have some idea of what those numbers are. Any journalist (certainly in this country) needs to know what National Income is, so that when it is said that health spending is, X £billion, you have some idea of what it is. When you talk about the cost of the war, you've got to have some idea of what that means too."

Andrew Dilnot the complimented the OR audience:
"You actually did a great deal better than most journalists, most have not got a clue, and yet day after day, the newspapers, radio and television are full of figures with lots of noughts on the ends. You see quite a lot numbers with noughts on the end are very very small, so we are quite often told that health spending is going to be increased in a particular area by an extra 12 £million for cardiac surgery units. Well there are 60 million people in this country, that's 20p per person! Or rather less than half a penny per person per week! Is that going to make a big difference? No! So we need to have a grasp of the figures just to understand the policies. But the other reason is that some of them reflect the fact that we just don't think very hard when it comes to policy.

He then spoke of his involvement with the Performance and Innovation Unit at the Cabinet Office who published a public document called ADDING IT UP, the report of a group that had been asked to look at the role of analysis within government policy making. "It was long report and it commented that there were some areas where we see good analytical work going on behind policy, OR was mentioned in dispatches, but there were many areas where we couldn't see that, there were 'dozens' of recommendations and there was one absolutely essential one which I was astonished to see getting through. That departments should get out and publish a single comprehensive assessment of all new policies, programmes and projects - those of you who work in government will no doubt have noticed the enormous change that this has led to... I'm extremely disappointed in the impact that this has had, it continues to be the case that government policy goes on with remarkably little quantitative analysis and remarkable lack of awareness of the reality which it is seeking to operate upon, and that is a sad fact that is continuing to lead to significant problems."

Andrew Dilnot then illustrated a simple model of what he thought the professional policy making process should be like. The 'first thing' was to try quite hard to understand the bit of the world that you are interested in, so if you are interested in reforming pension policy, its quite important to know what kind of people have got pensions. If you are interested in doing something about the tragedy of teenage single parenthood, then you might want know how many of them there are. If you are concerned about inequality in the distribution of income then you need to know whets happening with the distribution of that income. If you are concerned about the impact of tax upon people's behaviour, you need to know who's paying it.

Of the second consideration, he said: "Decide what your objective is, you might think that it is just mind numbingly obvious that when engaged in public policy making you have to have a clear idea of what your objective is, but I fear that it continues to be the case that in many areas of policy making it simply isn't.

Thirdly you should propose policy, if you want to do something, you should describe the policy that you are proposing and you should then fourthly assess the likely impact of your proposed policy and then you might have some feedback once you'd looked at the likely impact to
decide whether this policy was indeed a good way of achieving your objective. Finally you'd implement it, and then you'd evaluate it. Well that seems fairly straightforward, by and large its simply not done in this country, at the level of most policy making as far as I can see."

Andrew Dilnot referring back to his earlier distribution of income question spoke about the effect of reforms that taken place during the period 1997 - 2000, the current government's tenure. He also spoke of the set of measure that led Gordon Brown and his colleagues to assert throughout the election campaign and in the run up to it that just over one million children were being taken out of poverty by the government's policy measures. "So the thought experiment here is... Lets imagine that we impose on a single set of data, all of the tax and benefit changes that were announced over the parliament and see what happens to the distribution of income. What actually happened to the distribution of income was that it went on widening."

Provocative comments such as those noted in this article, flew thick and fast during Andrew Dilnot's, lecture the resulting Questions and Answers session that followed, was extremely lively. In part the content had been controversial, as a whole though the lecture had been entertaining, thought provoking, even though it had taken place at a breakneck speed, leaving barely a second for the audience to gain its breath. Andrew Dilnot managed to put across an enormous amount of information during a lecture, which I am sure, will remain memorable to all those who attended.

The De Vere Cavendish St Jame's and the Blackett Memorial Lecture also served as a platform for the presentation of three prestigious OR awards: The Goodeve Medal, President's Medal and Companion of OR. Professor Mike Pidd (outgoing president) presented these medals - an illustrated feature on this can found elsewhere in this months newsletter and on our website: www.theorsociety.com

The Blackett Memorial Lecture of 2001 was well attended with all seats covered in the lecture room. There was no charge for attendance at the lecture. Chris Barrett at the Operational Research Society in Birmingham dealt with registration and joining instructions.