E.R.

PRIME MINISTER

MARKETING OF CSO DATA IN COMPUTER READABLE FORM

You wanted to see Policy Unit views on the proposal in Mr. Hibbert's minute. A note by John Wybrew is attached. They agree that you should support Mr. Hibbert's proposal, but suggest that CSO should aim to sell "at cost" since the real benefit here is making the information available as widely as possible.

It is not that usual for a Government Department to propose a scheme which makes money, and it would seem a little odd to actually discourage this.

Agree to Mr. Hibbert's proposal? Yes

MT

PSB

P.A. BEARPARK
31 October 1986

ECL/02

PRIME MINISTER

31 October 1986

MARKETING OF CSO DATA IN COMPUTER READABLE FORM

CSO data compiled in computer readable form is a valuable national resource. Properly analysed and interpreted, it contributes to better decision and policy-making in the business sector and in the public domain.

The existing arrangements for disseminating this data are based on the wrong priority - minimising the cost of the activity to the CSO. But the cost - £10,000 pa - is trivial in relation to the potential benefits from disseminating the data widely, and ensuring that the underlying assumptions and the limitations of accuracy are fully appreciated by analysts. This is best achieved by giving back to the CSO the responsibility for the widest dissemination of accurate, properly-understood data.

We recommend that you should support Mr Hibbert's proposal. You could query why the CSO should want to obtain a margin above the direct cost when the real benefit lies in maximum dissemination.

JMW

JOHN WYBREW

E.R.

PRIME MINISTER

MARKETING OF CSO DATA

Mr. Hibbert proposes that CSO should in future market their data directly, instead of through a commercial computer bureau as at present. It is clear that there are problems with the existing system, but you may feel that CSO does not necessarily possess all the commercial knowledge required for a successful marketing exercise.

Content to agree with Mr. Hibbert's proposal, but ask him to pursue the possibility of involving a marketing agency, perhaps on a commission basis for sales over a certain volume?

Ask the Policy Unit to advise

No

PAB

P.A. BEARPARK
30 October 1986

EL3BMO

CCBS

THE PRIME MINISTER

MARKETING OF CSO DATA IN COMPUTER READABLE FORM

You may wish to know about a development to improve the marketing of the data we hold in the CSO in computer readable form.

We already make computer readable versions of a great deal of our data available to the public. The process by which we do this is to release tapes to a commercial computer bureau which acts as our agent in selling the information to customers who may be individuals but are in general other computer bureaux. The bureaux take the tapes from the agent with a view to selling more complex value-added services to final customers. It was intended that the agent bureau should market the product, make available different packages or selections of tapes which customers want, and deal with any day-to-day problems arising in the provision of this service.

This system has not worked very well. We have had a number of complaints about timeliness, the quality of the data and the fact that the agent is also itself a commercial bureau with its own customers, which to some people seems to give them an advantageous position. In addition, because the agent is not fully conversant with our data, we quite often end up having to deal with problems raised by customers of the agent.

Our experience with the present arrangements suggest that we have been expecting the agent bureau to perform some functions which only we are in a position to do. We therefore propose to cease to operate exclusively through an agent bureau, and to supply

tapes ourselves direct to any computer bureau or other customer who wants to have them. We would prepare the tapes to a standard format. Individual customers and computer bureaux including, of course, the existing agent in its capacity as a bureau, would be invited to purchase the tapes direct from us. They would then, as now, be in a position to repackage the data for their final customers. We believe that this will be more efficient and will lead to greater use of our material in this form by a great number of people.

There will be some expenditure (of the order of £10,000 a year) involved, but it can be contained within the CSO's current gross running costs. Government expenditure will not increase and there will be additional revenue generated for the Central Statistical Office which we are confident will be significantly greater than the extra costs of providing the service (our best estimate is an additional £40,000 a year). Net public expenditure will thus be reduced.

While we are confident that we and the customers at large will welcome and will benefit from these new arrangements, I propose to review them in about a year's time and report the outcome.

I have discussed these plans with Sir Robert Armstrong and he has endorsed them.

Jack Hibbert

J HIBBERT

28 October 1986