



Independent advice on the Postcode Address File

PAF ADVISORY BOARD RESPONSE TO POSTCOMM DECISION OF 8 APRIL 2011

The Board welcomes the Postcomm report as a thoughtful and positive contribution to the further development of the market for the Postcode Address File (PAF) and greater use of postcodes. It is encouraged by the report's expression of confidence in the Board's operations, in its work to influence the 2010 PAF licence revisions and its success in encouraging Royal Mail to engage with the Board over a wide interpretation of its remit. The Board is appreciative of the constructive comments from respondents to the Postcomm consultation and welcomes the positive guidance in the Postcomm report. Our response to each of the recommendations is as follows:

- 1 “that the Board considers ways in which to improve its organisation, communications and transparency;”

The Board acknowledges the importance of openness in its conduct of business wherever possible. It will continue to lodge papers and minutes on the web site www.pafboard.org.uk subject to appropriate protection of confidential, commercial and personal information. Members of the Board will review the arrangements for communication with the constituencies they represent and the Board will review its way of working at least annually.

- 2 “prior public consultation on a draft 1 and 3 year work programme for the Board and its working groups, allowing sufficient time for responses before it is finalised and presented at the open meeting and published on the Board's web site;”

Steps are in hand to develop a charter for the Board's work covering 2012-2015. The charter will be made available before the open annual meeting and comments invited, including at the meeting itself.

- 3 “clear objectives and milestones so that progress can be followed by all those with an interest in its work;”

The charter will be posted on the Board web site after discussion and eventual amendment following the open meeting.

- 4 “presentation of a formal annual report at the December open meeting on that year’s achievements and setting out and taking questions on the work programme for the following year;”

The existing agenda item for the open meeting under which achievements are discussed will be continued and developed in the light of questions and comments from participants and respondents following posting on the web site.

- 5 “increased visibility and more timely updates on the web site of the activities of the Board, including where possible papers and minutes of the working groups;”

Papers and minutes from discussions at the main Board will continue to be made available on the web site subject to considerations of confidentiality. The aim will be to post such documents within two weeks of meetings. Reports from the working groups will also be released via the web site and steps will be taken to encourage Royal Mail and Advisory Board members’ constituent organisations to publicise the site.

- 6 “leaving attendance at the Board, including for observers such as Postcomm, to the discretion of the Chair but giving Postcomm a right of observer attendance if Postcomm considers that this is necessary to comply with its regulatory duties;”

Accepted

- 7 “consideration of the issuing of an annual questionnaire to PAF users;”

The Board is mindful that any questionnaire should be independent and be seen to be independent of Royal Mail. The Board will seek a solution to the technical problems of accessing the identity and location of PAF users so as to implement this recommendation

- 8 “[Chair to] set out the criteria for membership selection and to review membership at regular intervals to ensure that the Board has as wide a representation of PAF users as possible consistent with maintaining the level of expertise and continuity necessary to maximise the Board’s contribution;”

Members of the Advisory Board give their time without remuneration and this will remain the case. The intention is to maintain an adequate representative membership of the various groups of PAF users with appropriate expertise and knowledge consistent with the efficient conduct of business. The Chair will continue to appoint members for a period of two years after advice from Postcomm and the Address Management Unit of Royal Mail. As recognised by the report, there has been a significant rotation of members during the Board’s first three years with an appropriate balance between solutions providers and end user representatives. Membership will be reviewed at least annually on a rolling basis.

- 9 “[Chair to] consider inviting a member of the emergency services with a strong interest in PAF to join the Board, given the issues highlighted in the Metropolitan Police response;”

The Board already has two representatives of public sector users. We are conscious, however, that the setting up of the National Address Gazetteer, partly based on PAF, has the capacity to transform public sector use of PAF derived information, including its importance to the emergency services. Steps are in hand to identify a suitably knowledgeable representative of emergency services users as a potential additional Board member.

- 10 “any over achievement of the profit target should be considered cumulatively i.e. over three years rather than simply year on year;”

The Board welcomes this endorsement of the position it has taken with Royal Mail over the investment of ‘surplus profit’. The Board will give high priority to developing further the protocols and processes for agreeing the investment programme or the return of funds to the market. Given the accumulation of 3 years excess profit the Board

proposes a special meeting during 2011 to decide how this is distributed in year. The Board expects that the assistance of Postcomm will be needed in advance of this special meeting to gain agreement between all parties on the total value of the excess profits due for investment and or distribution.

- 11 “to maintain the existing profit target range of 8-10% over operating costs;”

Noted.

- 12 “to link the programme of the PAF Advisory Board to a three year cycle of agreed investment and/or agreed return of “excess” profits to customers;”

Work is in hand with Royal Mail to agree the processes and information flows to turn this recommendation into practical action. When complete, a description of the arrangements will be publicised on the Board web site.

- 13 that the PAF Advisory Board considers ways in which Royal Mail could improve the efficiency and effectiveness of updating PAF data, such as introducing a single feed of address intelligence between the local authorities and the AMU and revising the current servicelevel agreement on maintaining and updating PAF data;”

The Board is aware the introduction of a single feed of address intelligence has been under discussion between Royal Mail and local authorities for some time. The creation of the National Address Gazetteer may facilitate such an arrangement. However, the Board is cognisant that a single address feed does not, of itself, guarantee the timeliness of comprehensive address information, which is a vital component of PAF quality and should be improved. These factors must be taken into account in considering how updating PAF can be improved.

- 14 “that a cumulative investment profile and assessment of PAF profits is appropriate to assess investment over a rolling three year period given

that many of the investments span a longer period from inception to full implementation;”

Noted

- 15 “that additional incentives are considered for Royal Mail to ensure that the future costs for maintain and updating PAF are minimised;”

The Board is mindful that Royal Mail operates PAF under a ‘cost-plus’ regulatory regime. Accordingly, the Board agrees that it should engage with the Address Management Unit to ensure a rigorous control of PAF costs, including the sums paid to Royal Mail for address validation and other services. Whilst it is not the Board’s role to second guess AMU management it is appropriate for the Board to prioritize a visible and effective cost minimisation regime for PAF costs.

- 16 that Postcomm reviews the costs and revenues allocated to the core (and non-core) PAF activities to ensure that they are correctly consistent with Postcomm’s work priorities and dependent on what data are available.”

Noted; the Advisory Board would hope to be associated with the Postcomm review.

Ian Beesley

Chairman

20 June 2011