

Independent advice on the Postcode Address File

PDC Consultation
Transparency Team
Cabinet Office
4/W2
1 Horse Guards Road
London SW1A 2AS

20 October 2011

Dear Sirs,

This response to the PDC Consultation is from the Postcode Address File Advisory Board (PAB). The response may be made public and attributed to the Postcode Address File Advisory Board.

The PAB was established in 2007 by a Postcomm decision following its review of Royal Mail's management of the Postcode Address File (PAF). It is independent of both Royal Mail and the successor regulatory body to Postcomm (Ofcom), providing a vehicle for light-touch regulation of PAF by the provision of independent advice to the Address Management Unit of Royal Mail on behalf of PAF users. PAB members cover independent postal operators, value added resellers of PAF, web based companies, mail users and public sector PAF users. Royal Mail's current income from PAF is of the order of £25 million p.a. contributing around £3 million p.a. of profit. Through involvement with users of PAF at a senior level (usually managing director or the equivalent) and encouragement to potential users, PAB aims to tender reliable and relevant advice to promote a wide use of the PAF, on a fair basis, to the overall well-being of the UK. Subject to the protection of privacy and of commercially sensitive information, the PAB seeks to be as transparent in its discussions as is practicable, and releases its minutes and papers on a dedicated web site – www.pafboard.org.uk.

CHARGING

1. How do you think Government should best balance its objectives around increasing access to data and providing more freely available data for re-use year on year within the constraints of affordability? Please provide evidence to support your answer where possible.

The PAB experience is that where data are not the main purpose of an organisation it is essential to ring-fence the data business from other activities if access, licensing and investment are to be managed satisfactorily and commercial objectives are to be controlled. For regulated operations part of the regulatory environment should be to offer data to all users on a fair (level playing field) basis.

However, it is also the experience of PAB members' organisations that there needs to be a close relationship between a data set and its primary purpose if data quality is to be protected. In the case of PAF the accurate and timely delivery of mail is the prime purpose but many organisations have been able to use the PAF file for a much wider range of purposes by Royal Mail offering a tiered structure of licences and pricing principally through private sector value added resellers of the PAF data.

2. Are there particular datasets or information that you believe would create particular economic or social benefits if they were available free for use and re-use? Who would these benefit and how? Please provide evidence to support your answer where possible.

The PAB is committed to the wider use of PAF as an aid to personal identification and geo-spatial referencing. But we do not believe that it is necessary to put PAF into the PDC now to achieve a further step change in use and we judge that to do so now may put the accuracy of the data at risk.

We encourage Government to pursue conclusion of the current discussions over a Public Sector Corporate Licence for non-commercial uses of PAF (under which public sector entities would be able to share PAF data without each user needing their own licence) with greater urgency than has been evident over the past 10 months. And we will continue to press Royal Mail for private and third sector use which offers free access for developer and social entrepreneur purposes. Thereafter, we believe it possible to achieve a simpler licensing regime with lower overheads falling on the market for value added services whilst offering sufficient protection for the intellectual property ownership of the file and the maintenance of data quality.

3. What do you think the impacts of the three options would be for you and/or other groups outlined above? Please provide evidence to support your answer where possible.

As a general proposition the PAB would favour the ‘freemium’ model of pricing as providing the best shared incentive between data owners and data users to develop data sets without compromising quality. The enhanced status quo option would risk too much inertia on the part of data owners in harsh economic times. The harmonisation/simplification option leaves too great an onus on the PDC to determine how data can be used. The ‘freemium’ option would encourage a PDC approach which saw the value added users and the Corporation as having a shared interest in the wider market opportunities for their data.

4. A further variation of any of the options could be to encourage PDC and its constituent parts to make better use of the flexibility to develop commercial data products and services outside of their public task. What do you think the impacts of this might be?

This raises important issues of the extent to which Government should compete commercially with its citizens. The effect would be to stifle development and to complicate licensing as public sector bodies sought to segment markets and secure a share of the value created by entrepreneurs outside their boundaries. There are already some signs of this effect in the extent to which IP rights are pursued along the value chain and corresponding evidence of competition by licence interpretation rather than by value added.

5. Are there any alternative options that might balance Government’s objectives which are not covered here? Please provide details and evidence to support your response where possible.

See the answer to question 2.

LICENSING

1. To what extent do you agree that there should be greater consistency, clarity and simplicity in the licensing regime adopted by a PDC?

Greater consistency, clarity and simplicity are like virtue – desirable in concept but hard to achieve in the real world. The relevance of licensing terms to users’ business models and the encouragement of flexibility in data use are as

important. We would not wish to see these sacrificed on the altar of administrative neatness.

2. To what extent do you think each of the options set out would address those issues (or any others)? Please provide evidence to support your comments where possible.

3. What do you think the advantages and disadvantages of each of the options would be? Please provide evidence to support your comments

4. Will the benefits of changing the models from those in use across Government outweigh the impacts of taking out new or replacement licences?

Data sets are usually embedded in users' business software and the disruption costs of re-programming can be significant. No change in existing licensing provisions can be an attractive option and should not be dismissed lightly. When the PAF licence was re-jigged in 2010 minimum disruption to the market was one of the leading criteria for the exercise. Even so, the transition has proved problematic for many users and is not yet complete in one case where a new specific licence was introduced.

It is unlikely that a single PDC licence would be sufficiently precise without additional specific use licences, even if the licensing terms were permissive (i.e. you can do anything with these data except the following...). Use based licencing would stifle innovation and open to misuse unless policed with care. However, a standard set of principles sitting above broad specific licences of a permissive kind could be helpful provided that the principles could be drafted sufficiently rigorously to have a legal override if specific provisions were in conflict with them. The PAB tried to secure something similar for the 2010 PAF licence but were unable to achieve drafting that was acceptable to the Royal Mail lawyers.

REGULATION

1. To what extent is the current regulatory environment appropriate to deliver the vision for a PDC?

2. Are there any additional oversight activities needed to deliver the vision for a PDC and if so what are they?

In 2010 Postcomm re-evaluated the light touch regulation introduced in 2007 for the management of the PAF database. That review concluded that the arrangements by which oversight was outsourced to the PAB was both fit for purpose and best practice for the regulation of the terms and conditions for

providing data sets for wider use. The PAB could be modified to provide regulation for PDC data sets or could provide a model for new bodies.

Our experience is that the oversight board must have members who can represent private and public sector uses of the data; it needs access to independent legal advice and it is desirable for it to have funds to conduct independent research relevant to market developments.

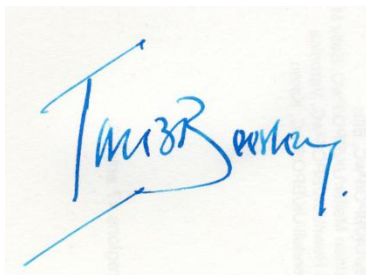
3. What would be an appropriate timescale for reviewing a PDC or its constituent parts public task(s)

The public tasks of a PDC entity should be clear and agreed at the outset or, in the case of the three entities already subsumed into the PDC, should be confirmed promptly (i.e. within the first six months). Thereafter each PDC body might be required to include in its annual external auditors report a statement of public task which would have to be authorised by the relevant Minister.

CONCLUSION

The PAB trusts that these views, which are based on its experience over the past 4 years and reflect a major PAF licence revision, will be helpful. If deemed appropriate, the Board would be quite willing to share further details of its knowledge and experience.

Yours sincerely



Ian Beesley

Chairman,

PAF Advisory Board

