

THE POSTCODE ADDRESS FILE ADVISORY BOARD (PAB)

Minutes of meeting held at 13:00 on 21<sup>st</sup> January 2021

By video conference

PRESENT

Ian Beesley	Chairman
Ian Paterson	Mail Competition Forum
Paul Brough	Mail Users Association
Charles Neilson	Mail Competition Forum
Judith Donovan	Strategic Mailing Partnership
Steve Goodsell	Royal Mail Group
Paul Cresswell	Experian Data Services
Nick Chapallaz	GeoPlace
Dan Cooper	Allies Computing
David Green	GB Group (items 1 - 8)
Iain McKay	Improvement Service, Scotland (items 1 – 4)
Paul Roberts	Secretary

Also in attendance

Ian Evans	AMU
Tom Foyle	AMU
Steve Rooney	AMU (items 1 – 4)

Apologies

Tim Drye	Direct Marketing Association
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## 1. Matters Arising

The Secretary reported that inter-PAB meeting updates from the AMU were on track to commence between the January and April PAB meetings.

## 2. Royal Mail Restructuring

Steve Rooney reported that Royal Mail had appointed a new Chief Executive Officer (CEO), Simon Thompson. It was too early to confirm how the appointment might impact the strategic direction of the organisation, but the new CEO appeared to have a strong customer centric approach.

Steve also confirmed that under the organisation-wide restructuring exercise AMU appointments had been decided and incumbents were currently being confirmed. It was expected that details would be available by April 2021.

Steve advised that he had taken on responsibility for Revenue Protection within Royal Mail as well as retaining the lead for the AMU. Steve also reported that the existing, much streamlined, Data Service business had been absorbed within the AMU, including management of the National Change of Address (NCoA) database.

The PAB asked whether the NCoA database sat within or outside the regulatory framework. The AMU advised it sat outside the framework.

**ACTION:** The Board invited the AMU to update PAB on the future AMU operating template as soon as it became available.

**ACTION:** The Board invited the AMU to produce a summary of restructuring changes, for inclusion on the PAB website.

## 3. Chairman's Update

The Chairman reported he had spoken with Marina Gibbs and James King from Ofcom on 17<sup>th</sup> December 2020. The key output from the discussion was the message that Ofcom would continue the support for the PAB and its activities, with the Board being seen as a positive conduit to help ensure that major PAF issues & opportunities for development were identified and appropriate actions implemented.

Marina had confirmed that a member of the Ofcom team (Kamak Arzhangji) was looking into the mechanism for allocating RM overheads. Ofcom had asked whether changes in allocation of overheads impacted PAF licence pricing. The Chairman had advised that as far as he was aware changes in allocation had not so far affected PAF pricing.

Ofcom had advised that a programme of action for a review of postal regulation was being drafted, with a view to circulating a request for inputs to the review by the end of February, and the full review taking place during 2022.

Ofcom had also confirmed that recent user needs research, which had been heavily focused on consumers and SMEs in the letter marketplace, was to be extended to include

parcels. Representatives of postal interests drew attention to a need for any options concerning current USO provision and any impact on PAF to take account of the requirements of higher volume mail users.

The Chairman reported that making PAF open, free data had not been mentioned by Ofcom as a current priority. However, he felt that the AMU could make the Developer Licence more widely publicised, to encourage innovators.

Nick Chapallaz advised that Geo Place were currently doing work to synthesize some data sets, in the light of recently identified gaps in data provision. PAF had been identified as one of the key data sets contributing to a wider availability of data.

The PAB confirmed that it would be important to ensure that PAB inputs were made in response to Ofcom request for inputs as part of the development of the postal regulatory review.

**ACTION:** The Chairman to liaise with Ofcom to confirm how the PAB views could best be presented to the review.

**ACTION:** The Board invited the AMU to resume regular reports on the take-up and follow-up of Developer Licences.

#### **4. Scottish Census Trial**

Iain McKay confirmed the Scottish census had been pushed back to 2022 at the earliest.

Steve Goodsell confirmed that he had set up a session for week commencing 16<sup>th</sup> February to kick off the local office activity following outputs from the census trial.

**ACTION:** The Board invited Steve Goodsell to update the Board further at the April PAB meeting.

#### **5. AMU & RM Operations Service Level Agreement (SLA)**

The PAB confirmed they were content with actions arising from discussions between PAB and AMU representatives regarding ongoing management of the SLA between the AMU and RM Operations. Actions included:

- The AMU to work with RM Operations to generate a high-level breakdown of how current charged hours within the existing SLA were constructed.
- The AMU to map the sourcing of PAF information and its value.
- The AMU to consider topics for ongoing dialogue with RM Operations, both for regular reviews and as preparation for the next SLA negotiations.

**ACTION:** The Board invited the AMU to provide a further update to the planned inter-PAB meeting newsletter due for the beginning of March.

Board members recommended that the joint review team conduct a further meeting to assess progress, for input to the April PAB meeting.

**ACTION:** The Secretary to organise a further meeting at the start of April of the SLA review group.

## 6. Historical AMU Financial Picture

Further to an action from the October 2020 PAB meeting. The AMU shared a brief presentation on headline financials for the AMU for the last 5 years.

Revenues had increased by 4% over the period, with costs rising by 5.5%.

The revenues included a continuing switch from user to transactional licensing, reflecting licence changes from 2015 aimed at encouraging the use of more flexible licensing and pricing.

A high percentage of the increase in costs had been as a result of the Royal Mail-wide pay agreement during 2018/19.

The PAB questioned whether the switch from user to transactional licensing was likely to continue in the near future. The AMU confirmed that the COVID-19 pandemic had driven a significant further increase in e-commerce which was suited to transactional use of PAF and that a return to a more 'normal' economic situation would be required before knowing whether the switching trend would continue.

**ACTION:** The Board invited the AMU to include a historical view of financial performance in their annual financial performance update to the PAB, commencing with the 2020/21 update due at the July 2021 PAB meeting.

A confidential copy of the AMU presentation to be circulated to PAB members.

## 7. Data Quality Update

The AMU shared the latest 2 quarters of data quality work undertaken by the independent research company tasked with assessing the accuracy and efficient reporting of address changes by RM Operations.

The AMU reported there had been one inconsistent score in the first quarter's data. The independent researchers had reported this was more an anomaly of the methodology used for weighting results and did not, therefore, suggest an area for focus or concern. The AMU advised that this would be discussed with RM Operational Teams for potential improvements.

**ACTION:** The Board invited the AMU to share the list of 3<sup>rd</sup> party data sources used to enhance understanding of why discrepancies may occur.

A copy of the AMU presentation is included at Annex A.

## 8. Licence Compliance Update

The AMU reported that the compliance programme had continued to operate despite the pandemic but had switched to a desk-based auditing system over the latest year. This had enabled audit activity to increase from 86 audits in 2019/20 to a forecast 106 audits for 2020/21. The increase in audit activity included expanding the reach to include some of the smaller Solutions Providers (SPs)

Some 30% of the audits conducted identified issues, but these were much less significant in nature than hitherto, reflecting stable licensing conditions in recent years.

Board members questioned whether there were any systemic issues arising from the compliance audits. The AMU reported that feedback from some SPs had indicated that end user terms included in the terms and conditions issued by some SPs had not been as understandable as they could be, and this was affecting ability to comply with licence terms. The AMU had recognised this feedback and were taking action to enhance the ongoing communications and the associated clarity of user terms.

**ACTION:** The Board invited the AMU to present an annual view of audit activity at the first PAB meeting each year in the future.

## 9. NYB to PAF actions progress

The AMU confirmed that all recommendations from the report commissioned by the PAB in 2019 had been implemented. These included:

- Identifying and using alternative data sources to enhance PAF quality.
- Improved records keeping
- Working with local authorities on street addressing
- Work with housing developers to influence new build addressing. This activity had been limited and was to be reviewed to see if further action could be delivered.
- Sharing information with other bodies (e.g., GeoPlace, ONS) to drive quality.

The Board welcomed this information, stressing that what mattered most was whether addresses were now getting on the main file promptly, and requested that the AMU consider how best to monitor this on a regular basis.

**ACTION:** The Board invited the AMU to present proposals for measuring the impact of the actions undertaken at the April PAB meeting

## 10. Business Names Research – Onward Activity

The AMU advised that, due to the ongoing impact of the COVID-19 pandemic on workload for their team in Doxford, the implementation of recommendations from the study had been delayed but management would meet during the following week to confirm activity, using core AMU resource to help improve the quality of business addressing.

**ACTION:** The Board invited the AMU to update the Board once the analysis work had been restarted and further action was identified.

## **11. Innovation: Changes in the Collection and Delivery Market**

The Chairman raised the question of the PAB role in ensuring PAF is involved in innovations in the collections and delivery of letters and parcels and suggested it would be helpful to set up a meeting with Royal Mail to help identify PAF's role in supporting future innovations.

Steve Goodsell confirmed that Royal Mail had started discussions internally regarding a fresh opportunity for using RM Operational Personal Digital Assistants (PDAs) to capture addressing information.

**ACTION:** The Chairman to follow up with the AMU.

## **12. May 2021 Elections**

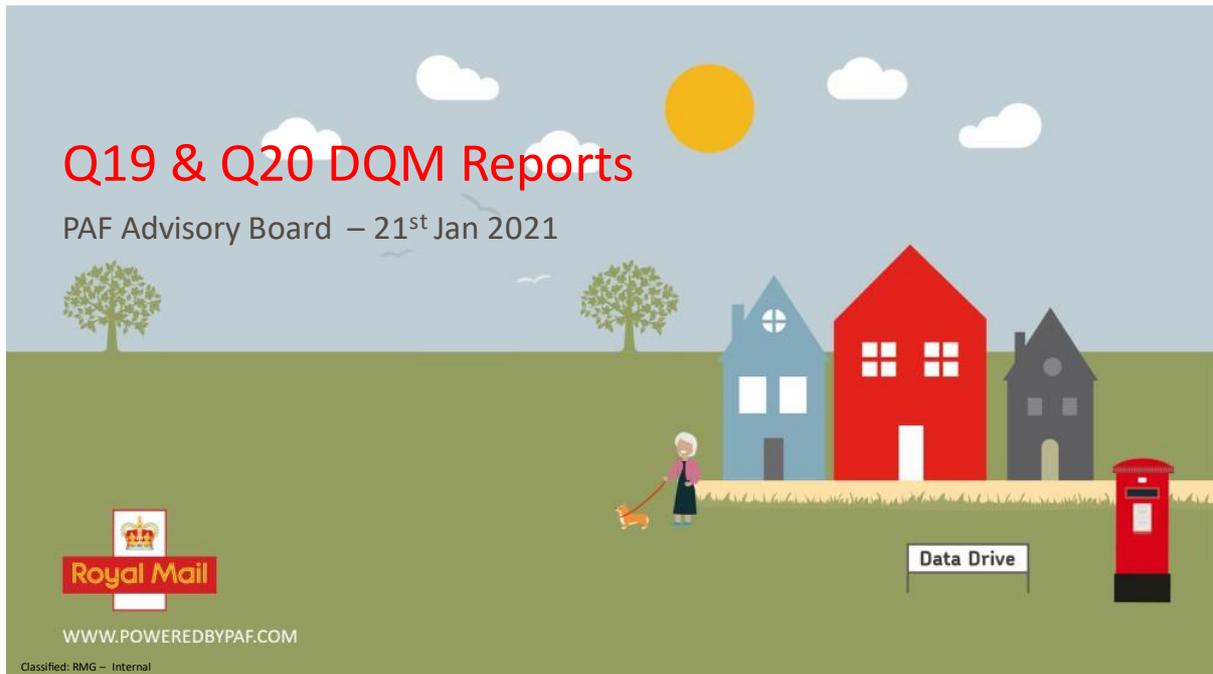
Judith Donovan reported that the SMP Board had discussed the implications of the larger than usual May elections in 2021 for their members and questioned whether there could be any PAF implications, especially in light of the fact that 127 elections had been carried over from 2020, to add to the 39 already scheduled for 2021, creating an expected huge increase in postal voting.

**ACTION:** The Board invited the AMU to investigate and provide an update for the first inter-PAB meeting report.

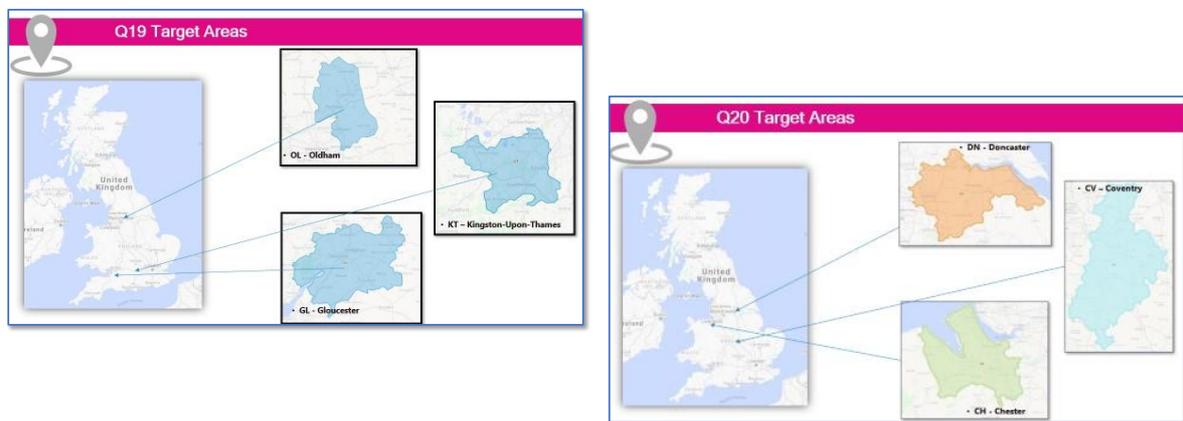
## **13. Next meeting**

13:00 on 22<sup>nd</sup> April 2021. To be held by video conference; details to be advised.

# Annex A – PAF Data Quality Q19 & Q20



## Q19 & Q20 – Target Areas



# PAF Scores

**Delivery Point Score 87.7% 95.8%**

	Q19	Q20
City	(GL) 91.5%	(CH) 93.5%
Urban	(KT) 72.2%	(DN) 97.2%
Rural	(OL) 97.3%	(CV) 96.4%

**Changes Score 94.2% 92.6%**

	Q19	Q20
City	(GL) 94.2%	(CH) 90.4%
Urban	(KT) 91.8%	(DN) 97.0%
Rural	(OL) 94.2%	(CV) 90.3%

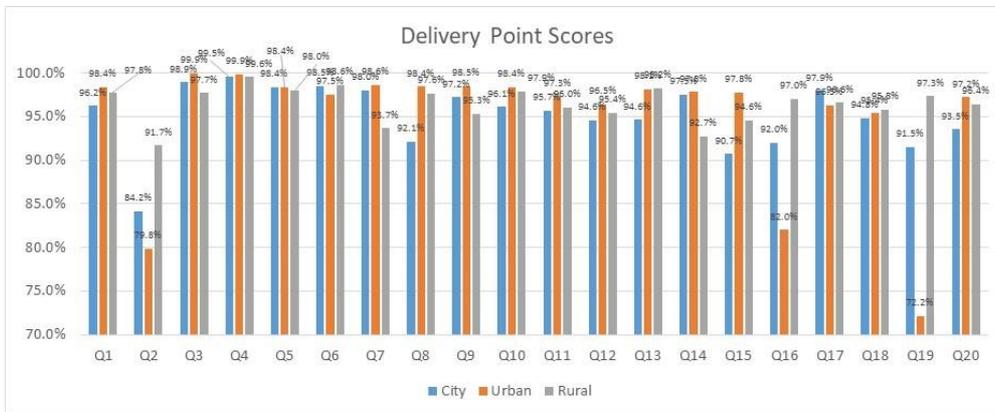


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Classified: RMG – Internal



## Weighted PAF Scores To Date





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