PAF (17) 3rd MeetingIssued: 31st May 2017

THE POSTCODE ADDRESS FILE ADVISORY BOARD (PAB)

Minutes of meeting held at 13:00 on 18th May 2017

At the offices of Experian, George West House,

2-3 Clapham Common North Side, London SW4 0QL

PRESENT

Ian Beesley Chairman

Iain McKay Improvement Service, Scotland

Darren McDonnell Mail Users’ Association

Carolyn Valder CACI

Jason Goodwin Experian

Tim Drye Direct Marketing Association

Ian Paterson Mail Competition Forum

Dan Cooper Allies Computing Ltd

Charles Neilson Mail Competition Forum

Paul Roberts Secretary to the Board

Also in attendance

Scott Childes AMU (items 1 – 12)

Ian Evans AMU (items 1 – 12)

Alistair Calder ONS (item 17)

Apologies

David Heyes Wigan BC

1. **Welcome and introductions**

The Chairman welcomed attendees to the 3rd PAB meeting for 2017. He reported that Alun Evans had resigned from the Board. The Board thanked Alun for his contribution over the years of his membership and wished him well in his future endeavours.

The Chairman also welcomed a new member of the Board, Charles Neilson, Director of Postal Affairs at Whistl. Charles was invited to join the Board to represent the Mail Competition Forum.

1. **Licensing trends AMU**

The AMU provided an update on core PAF licensing trends for 2016/17. The proportion accounted for by user licensing is declining- it had fallen from 39% in 2015/16 to 37%. Transactional licensing for the same period had risen from 21% to 22%, with capped use licensing rising from 40% to 41%. Over the last 5 years, user licensing had fallen from 51% to 37%, with transactional licensing increasing from 13% to 22% and capped use licensing rising from 36% to 41%. In all cases, the percentage movement between sectors was slowing.

In discussion, the following points were made:

* Changes to General Data Protection Regulation & Charity operations may be driving some of the change and could continue to do so in the future.
* The Bureau model could be changing as users move to a position of Direct End User reflecting increasing capability in data analysis.
* In response to a question whether the shift away from User based licensing was levelling out, the AMU responded that it could be, but that analysis of missing licence returns in the second half of the Financial Year, tended to mean a higher proportion of User based revenue came in then. As a result, the final proportions may mask the continued underlying trend. Hence, the current data could be skewed.

1. **Business Address Quality - Mailing Update AMU**

The AMU outlined that the first business address validation mailing for 2017 had been circulated on the 27th February to businesses in the North region of the Royal Mail administrative geography.

495k forms had been mailed, with 71k returned to date. Circa 40k of the 71k returns had been processed, requiring 15k changes to PAF (approx. 3% of the original mailing, and 37% of the responses processed to date).

A mailing to businesses in the Royal Mail West region was due to be issued on 25th May.

**ACTION**: The Board invited the AMU to consider four innovations for future business mailings:

* To include a statement on the mailing envelope along the lines of, ‘Does Royal Mail have your correct business name’, to encourage response.
* To add a tick box on the form to indicate whether a change to PAF was required (this should save businesses filling in forms unnecessarily when the business name had remained the same).
* To develop an option for customers to respond to the request for business address validation electronically which could reduce time taken and costs in the AMU to process the data.
* To add messages to the AMU website, linked to the mailings, to encourage businesses to report changes to address details.

1. **Customer contact analysis update AMU**

The AMU confirmed that they were currently analysing customer contact data for 2016/17 (the first full year of data availability).

**ACTION**: The Board invited the AMU to circulate data to the PAB in advance of the next PAB meeting.

1. **Alias file application within PAF AMU**

The AMU presented a summary of the Alias file. There were four main components:

* County names (1.8m records) – administrative, historical and previous postal county
* Locality (100k records) – different parts of a town/ village not formally recognised in the postal address (not covering London localities)
* Thoroughfare (6k records) – unofficial/ different names for streets
* Delivery point (1.1m records) – e.g. house names

The Alias file enables address matching for often used, but unofficial, address details.

The file is maintained through RM Operations carrying out address validation, customer contact and local authority input. The Delivery Point file typically averages 5k changes per month, with a net 2-3k recorded growth of the file each month. The other files remained reasonably static. It is sold at an annual cost of between £60 & £240 (due to rise to £62 - £246 from 01/07/2017), dependent on the format in which it is provided. Currently, 92 solutions providers (38% of SPs) and 64 direct end users (9% of Direct End Users) purchase the file.

In discussion, the Board asked why the Alias file was not included as part of the main PAF or provided free. The AMU responded that the file was not postally required by the regulator, was offered as an added value extra file to assist users, and required administration and maintenance effort over and above that of the standard PAF was offered as an added value extra file to assist users and required administration and maintenance effort over and above that of the standard PAF.

A copy of the Alias file presentation from the AMU is embedded below.



1. **Personalised Postcodes**

The possible development of personalised postcodes was briefly discussed. The AMU outlined that the concept was being reviewed prior to a proposal being generated. The AMU clarified that these would only be able to be used within the correct postcode sector, so would not be 'portable', and could only be postcodes not already in use

1. **PAF data security update AMU**

The AMU confirmed the importance it attached to PAF Data Security and that work was ongoing to apply the most up to date standards of data security. Steps were also in hand to further enhance the quality of ‘seeding’ in the PAF data, adding further security layers to the data.

1. **PAF quality update AMU**

The AMU had circulated information about the latest address quality results. They demonstrated consistent and improving address quality. However, the results had also identified a situation that was not uncommon, where a developer of a business park had created street names which the local council had not been prepared to accept because of the burden of consultation required. The Board were puzzled why the planning application for the business park had not solved the issue and suggested that as an interim measure the AMU might put the unrecognised addresses into the alias file.

**ACTION**: The Secretary to consult the England & Wales local authority representative about the issue.

1. **Developer Licence AMU**

The AMU presented a summary of progress with the Developer Licence. The licence allows organisations or individuals to take a free PAF data sample for one year (renewable) to develop solutions using PAF. The AMU described that they contacted developer licence holders six weeks after the initial download of data to establish the potential uses being evaluated and what this could mean regarding possible future purchases of the full address file.

There was an average of 1000 sample download requests each year, though the figure had fallen during 2016/17 by approximately 25%. Conversion rates to the purchase of full PAF currently stood at around 10%, with examples of new direct end users, new customers for service providers and new service providers

**The Board** congratulated the AMU on the continuing success of the developer licence.

1. **Taking the Pulse of PAF AMU**

The Board commented that the Pulse report now contained a significant amount of information and was an excellent reference tool, but a summary of what the AMU deduced from the information would add value in highlighting what was significant in the latest figures.

**ACTION**: The Board invited the AMU to investigate adding a headlines page to the Pulse report.

1. **PAF Code of Practice**

Prior to the Board meeting, the England & Wales local authority representative had queried whether the PAF Code of Practice required updating, as it did not appear to have been updated for a few years.

The AMU responded that:

The initial code of practice was developed in response to the Postcomm conditions for granting a licence for PAF in 2007; it included a responsibility for local authorities to approve new addresses/ changes to existing addresses, prior to involvement with PAF. The code was reviewed and updated in 2010. At the time, Postcomm recommended a review of the code commencing in 2014.

Postcomm was replaced by Ofcom as postal regulator in 2011. The Royal Mail regulatory team discussed the various codes of practice with Ofcom in 2015. At the time, Ofcom indicated there was no reason to review the codes as they were operating satisfactorily.

The code had been used c. approximately 300 times to date.

The DMA representative questioned whether data in PAF would be classed as personal data under the General Data Protection Regulations. The AMU responded that Royal Mail were currently assessing whether addresses were attributable to individuals and therefore identifiable as personal data. Historically, addresses had not been identified as personal data but that, as part of the 2015 licence review, licensees were responsible for ensuring PAF use adhered to personal data compliance requirements.

**ACTION**: The Board invited the AMU to update the Board with a view to displaying guidance on the PAB website.

1. **PAF Visualisation**

The Board welcomed development of the PAF visualisation tool by the AMU. The AMU outlined that the tool was in early developmental stages, with other data layers needing to be added to give a robust map of hotspots and areas to improve across the UK.

**ACTION**: The Board invited the AMU to demonstrate the visualisation tool at the November 2017 PAB meeting.

1. **Matters arising PAB (17)2nd meeting minutes**

*Independent research*: The Chairman reported that the PAB had produced an initial specification for conducting the research, as outlined at the March 2017 PAB meeting. The Chairman outlined that the AMU had not yet responded formally to a request to discuss options and funding for conducting the research.

**ACTION**: The Chairman to chase the AMU for a response to the request.

*2015 Contracts:* The Chairman reported that the AMU had not yet responded to a request asking the AMU to gather customer feedback on ease of using the new contracts.

**ACTION**: The Chairman to chase the AMU for a response to the request

*PAF Account Management:* The Chairman reported that the AMU had not yet responded to a request to view existing account management guidelines, with a view to enhancing the information materials where applicable.

**ACTION**: The Chairman to chase the AMU for a response to the request.

1. **OFCOM**

The Mail Competition Forum reported that it appeared the regulatory reporting requirements on Royal Mail may be changing to require earlier submission of regulatory accounts. A consultation was currently underway, with a decision expected by the end of July and any changes potentially in place for the 2017/18 financial accounts.

The Board welcomed the proposal to speed up the preparation and publication of accounts.

It was further reported that the postal lead in Ofcom, Chris Rowsell, was to move to a position within the BBC at the end of June. He would be replaced by Marina Gibbs, who already worked within Ofcom.

1. **Public Sector Licence**

The Board questioned whether the current one-year extension to the Public Sector Licence was too short term, considering current Government priorities and potential extension of the use of the licence after 2017/18.

**ACTION**: The Chairman to write to the AMU following the General Election on 8th June to request PSL extension dialogue be progressed as soon as possible.

1. **Future meetings**

It was confirmed that Royal Mail would be unable to host the July 2017 PAB meeting. Jason Goodwin volunteered that Experian would once again host the meeting. The Board recorded its gratitude for the generosity of Experian in providing meeting facilities.

**ACTION**: The Secretary to investigate whether CACI may be able to host the September 2017 PAB meeting.

1. **ONS view on addressing developments**

Alistair Calder, the Head of Addressing and Census Methodology from the Office of National Statistics presented a view from the ONS on how addressing could develop in the coming years. The view was taken from the perspective of preparing for the 2021 population census.

A key point was to reinforce that it was critical that existing datasets (including PAF) that fed into the master address database used for the census were kept accurate and updated.

A copy of the presentation is embedded below.



The ONS agreed to keep the PAB updated with their views on addressing developments on a regular basis.

1. **Next meeting**

13:00 to 16:30 on 20th of July 2017 at the offices of Experian, George West House, 2-3 Clapham Common North Side, London SW4 0QL.