

THE POSTCODE ADDRESS FILE ADVISORY BOARD (PAB)

Minutes of meeting held at 13:00 on 20<sup>th</sup> September 2018

At the offices of: CACI, Kensington Village, Avonmore Road, London, W14 8TS

PRESENT

Ian Beesley	Chairman
Carolyn Valder	CACI
Ian Paterson	Mail Competition Forum
Iain McKay	Improvement Service, Scotland
Darren McDonnell	Mail Users Association
David Heyes	Wigan BC
Dan Cooper	Allies Computing

Also in attendance

Scott Childes	(items 4 - 10)	AMU
Ian Evans	(items 4 - 10)	AMU

Apologies

Jason Goodwin	Landmark Group
Tim Drye	Direct Marketing Association
Paul Malyon	Experian
Charles Neilson	Mail Competition Forum
Martin Taylor	Royal Mail Group

Secretariat

Paul Roberts

## 1. Matters Arising

## PAB (18)4<sup>th</sup> meeting minutes

The Chairman focused on 2 open actions from recent PAB meetings.

Address Quality. The Chairman advised that a meeting was to be held in late October between Opus Trust Marketing, Royal Mail and PAB to explore the case for work to drive improvements in the quality of addressing. **ACTION:** The Board invited Darren McDonnell to update the Board on progress at the January 2019 PAB meeting.

Customer Satisfaction with the 2015 PAF licence. The survey had been issued on 11<sup>th</sup> September and would be open for 1 month to obtain feedback from Service Providers (SPs) and Direct End Users (DEUs). A direct invite had been sent to 275 SPs and 520 DEUs with an open invitation also available within the PAB website ([www.paf-board.org.uk](http://www.paf-board.org.uk)). To date, 27 responses had been received. A full report was expected as an input to the PAB strategy day on 6<sup>th</sup> November.

## 2. Chairman's Update

## Chairman

The Chairman advised there were no new topics to report.

## 3. Geospatial Commission Strategy Response

## Ensemble

Further to a paper produced by the Government's Geospatial Commission in August 2018, which invited responses to questions posed about the Geospatial Commission's ongoing strategy. The paper can be accessed here: <https://www.gov.uk/government/news/government-launch-call-for-evidence-to-be-geospatial-world-leader>

The PAB agreed that it was appropriate for the Board to respond and provide input on questions 4, 5, 8, 9, 10, 11 and 17. Key elements for the response to include:

Q4. To consider PAF subsets outside the core regulated PAF (Inc. NYB, multi-residency), plus redirections. To outline that the PAB did not believe PAF to be a specific geospatial database but had links to many other databases (e.g. UPRN)

Q5. To input that an address could have different meanings to different stakeholders. Outline that the quality of data within the dataset was vital to support emerging technologies (accuracy, timeliness, relevance).

Q8. To outline the importance of identifying differences between static and moving addresses.

Q9. To outline PAB support for the extended remit and use of the Public Sector Licence (PSL).

Q10. To input that geospatial data be considered in 3D rather than traditional 2D views.

Q11. To suggest that granting access to public sector geospatial data on relatively low-cost terms would be a good way forward.

Q17. To consider the link between the property and land category of geospatial data, and enhancing the Postal address

**ACTION:** The Chairman to confirm the PAB response with PAB members and submit the response to the Geospatial Commission by the required deadline (24<sup>th</sup> October 2018).

#### **4. PAB Strategy Day**

**Chairman**

Further to existing PAB actions regarding the PAB strategy day. The date for the meeting was confirmed as 6<sup>th</sup> November. A suitable venue was still being sourced and was expected to be agreed in the coming weeks.

The Chairman confirmed that 2 organisations had requested to join the day – the Strategic Mail Partnership and AFD (a PAF Solution Provider and the current distributor of key PAF data from the AMU).

**ACTION:** The Chairman to confirm the Strategy Day venue.

**ACTION:** The Chairman to invite other organisations to the Strategy Day, as agreed by PAB members.

**ACTION:** The Chairman to confirm the facilitation approach for the Strategy Day.

#### **5. 2017/18 Financial Report**

**AMU**

The AMU reported that the 2017/18 financial year accounts had been completed and were included within the published Royal Mail Group regulated accounts (AMU results at page 19 of the Royal Mail Group accounts). The RM Group regulated accounts are at: <https://www.royalmailgroup.com/media/10011/royal-mail-regulatory-financial-statements-2017-18.pdf>

Headlines were (rounded to £m):

- Revenue £32m
- Costs £27m
- Transformational Cost £2m
- Profit £3m
- Profit margin 9.4%

The profit figure was slightly lower than in 2016/17.

The AMU reported a continuing shift from user to transactional licensing of PAF, in line with recent years.

The AMU reported that wage rate increases across Royal Mail Group had impacted the overall cost base, but most of the increase had been offset due to increased process and staffing efficiency within Royal Mail Operations and the AMU itself.

The AMU advised that costs directly under their control had been trimmed during 2017/18. Costs apportioned across business units from within a central function of the

RM Group were subject to variances largely outside their control, for example RM group-wide pension contribution rate changes.

The Board questioned how frequently and rigorously the Service Level Agreement (SLA) between the AMU and Royal Mail Operations was reviewed. The AMU advised that the agreement was reviewed each year (covering both agreement rules/ processes and measures of success) and was also reviewed on an ad-hoc basis as relevant Customer and/or operational issues emerged. The Board welcomed how the AMU had developed a more robust and rigorous approach to managing the SLA over recent years.

**ACTION:** The Board invited the AMU to share the presentation of the financial results with the PAB, for inclusion with the minutes of the meeting. Presentation included at Annex A.

## **6. PAF Customer Market Sector Segmentation**

## **AMU**

Further to an update provided by the AMU at the March 2018 PAB meeting.

The AMU had conducted work with external partners to establish whether what alternative methods might be used to map PAF customers into market segments. The results of the work had indicated that the current Royal Mail customer segmentation model was appropriate but that some customers may not currently reside in appropriate market sectors.

The AMU confirmed they were continuing to work with the wider Royal Mail Group Customer Database Team to drive more effective mapping of PAF customers to relevant market sectors.

The Board questioned whether the mapping work included direct and indirect customers of the AMU. The AMU confirmed that all identified customers (including those where the PAF solution was provided by Solution Providers) were included within the scope of the mapping work.

The Board questioned whether there were opportunities for Solution Providers to assist with the customer segmentation work. The AMU advised that their current emphasis was to attempt to further enhance customer segmentation without asking customers to take on any additional workload where possible.

The Board supported swift completion of the mapping work to help ensure that the overall PAF offering continued to remain relevant to emerging specific market sector requirements.

**ACTION:** The Board invited the AMU to provide a further update at the March 2019 PAB meeting.

## **7. Taking the Pulse of PAF**

**AMU**

The Board questioned why recent Not Yet Built (NYB) error rates were not included in the Pulse report. The AMU explained there had been server issues that meant that some data for April-June of 2018 may not become available. Inclusion of data for July onward was likely to resume in subsequent editions of the Pulse report.

## **8. 2019 Meeting Schedule & Hosting**

**Secretary**

The Secretary outlined that the schedule and hosting for PAB meetings for 2019 had yet to be confirmed. The Board recommended a move to meetings being on the 2<sup>nd</sup> Thursday of meeting months, subject to member availability.

**ACTION:** The Secretary to circulate a 2019 availability register to PAB members and confirm dates once member availability known.

**ACTION:** The Secretary to contact PAB members to confirm hosting arrangements for 2019.

## **9. NYB to PAF project progress**

**Ensemble**

Further to ongoing work within the AMU to improve NYB to PAF processes, the Board questioned when a further update could be provided.

**ACTION:** The PAB invited the AMU to update the Board at the January 2019 PAB meeting.

## **10. Next meeting**

PAB Strategy Day, 11:00 – 16:30 on 6<sup>th</sup> November 2018. Venue to be confirmed.



Published P&L

**Income statement for selected products**

	52 weeks ended 26 March 2018			52 weeks ended 26 March 2017		
	Network Access £m	Relay £m	PAF £m	Network Access £m	Relay £m	PAF £m
Revenue	1,844	32	32	1,547	32	31
Transfer charges	-	-	-	-	-	-
Operating costs	(1,618)	(36)	(27)	(1,538)	(34)	(27)
People costs	(1,296)	(25)	(22)	(1,213)	(23)	(22)
Depreciation and amortisation	(66)	-	-	(56)	-	-
Other operating costs	(253)	(11)	(5)	(250)	(11)	(5)
Transfer charges	-	-	-	(3)	-	-
Operating profit/(loss) before transformation costs	(69)	(4)	5	29	(2)	4
Transformation costs <sup>1a</sup>	(18)	(3)	(2)	(25)	(3)	(1)
Operating profit/(loss) after transformation costs <sup>1a</sup>	(27)	(5)	3	4	(3)	3
Operating profit/(loss) margin after transformation costs	(5.4%)	(15.6%)	9.4%	0.3%	(9.4%)	9.7%
Addressed volumes (million items)	6,992	-	-	7,001	-	-
Total volumes (million items all formats)	6,992	-	-	7,001	-	-



£m	17/18	16/17
Revenue	32	31
Op. Costs	(27)	(27)
Op. Profit before	5	4
Transformation	(2)	(1)
Op. Profit after	3	3
Op. Margin after	9.4%	9.7%

