

THE POSTCODE ADDRESS FILE ADVISORY BOARD (PAB)

Minutes of meeting held at 13:00 on 26th September 2019

At CACI, Kensington Village, Avonmore Road, London, W14 8TS

PRESENT

Ian Beesley	Chairman
Judith Donovan	Strategic Mailing Partnership
Ian Paterson	Mail Competition Forum (items 3 – 15)
Paul Malyon	Experian
Charles Neilson	Mail Competition Forum
Dan Cooper	Allies Computing
Carolyn Valder	CACI
David Green	GB Group (items 3 – 15)
Paul Roberts	Secretary

Also in attendance

Ian Evans	AMU
Alasdair MacHardy	AMU

Apologies

Iain McKay	Improvement Service, Scotland
Darren McDonnell	Mail Users Association
Jason Goodwin	Landmark Group
Tim Drye	Direct Marketing Association

1. Welcome and Introductions

Chairman

The Chairman introduced David Green from GB Group as a new member of the Board.

David is Managing Director of Loqate, a part of GB Group, which (as part of their business) is a Service Provider (SP) for PAF. David has many years' experience of growing business both within and outside of the UK, dealing with postal authorities and utilising multiple data sources to add value to addressing requirements.

Board members welcomed David as a valuable addition to the PAB.

2. Matters arising

Chairman

None recorded

3. Chairman's Update

Chairman

The Chairman reported:

- The SMP had posted a positive press notice regarding their representation on the PAB
- Dialogue with the Geospatial Commission was ongoing, with current focus for the Commission appearing to centre on 3D mapping opportunities (above and below ground level)
- PAB and the AMU were still looking for Royal Mail Group (RMG) and England & Wales Local Authority representatives for the Board

ACTION: The Chairman to continue liaison with Local Government to source a Local Government representative for England & Wales

ACTION: The Board invited the AMU to investigate potential RMG representation on the PAB.

4. Partially Addressed and PAF Format

AMU

The addressing market had seen an uplift in appetite for a partially addressed mail item product (addressed but no personal name attached) to comply with GDPR requirements. In response to previous PAB member questions, the AMU advised that this would have little or no impact on PAF as PAF data does not carry names, except in the case of business addresses.

ACTION: The Board invited the AMU to re-contact Simon Cooper at the Lettershop Group and the Royal Mail Product Team to confirm the message of a clean bill of health.

ACTION: The Board invited the AMU to produce a statement for the Strategic Mailing Partnership for onward transmission to their members.

In response to a previous PAB question, as to whether PAF should be provided in a more 'straightforward mailing format', the AMU said they had explored this idea as well as looking at what is already available from PAF SPs. AMU said they had concluded that there were enough existing services from SPs providing this sort of formatting and that it would look to improve visibility of these services by adding it as a search option on the poweredbypaf Supplier Directory. The Board asked when this would be done, and AMU advised that they expected to be able to complete this work before the end of this calendar year.

5. Mailmark Error Trials

Charles Neilson

Further to previous meeting minutes and actions.

Charles Neilson reported that 4 customers had been identified as prospects to take part in the trials. Royal Mail had agreed to remove the Mailmark surcharges for mailings involved in the trials. This was welcomed by the Board.

The project plan was being progressed with a view to finalisation in the coming weeks.

The Board thanked Charles for his efforts to date and endorsed the onward action.

ACTION: The Board invited Charles Neilson to provide a further progress update at the November PAB meeting.

6. Business Data Quality Research ToR

Ian Paterson

Further to previous meeting minutes and actions.

The PAB endorsed the final terms of reference for the research project and thanked Ian Paterson for his work to date.

The Board agreed that the Mailmark Error trials and data quality research project could progress simultaneously, as results from the trials could provide a valuable strand of input for a wider research project.

Nest steps for the project were confirmed as sourcing of a supplier to conduct the research and confirmation of the final research specification

ACTION: The Board invited the Chairman and the AMU to source a supplier for the research work and to work with the supplier to confirm the research specification, with a progress update for the Board at the November PAB meeting.

7. 2018/19 Financial Report

AMU

The AMU reported that the 2018/19 financial year accounts for the AMU had been completed and were included within the published Royal Mail Group regulated accounts.

Headlines were (rounded to £m):

- Revenue £31m
- Costs £27m
- Transformation Costs £2m
- Operating Profit £2m
- Profit margin 8.0% (rounded to the nearest 0.1%)

The profit figure was lower than in 2017/18.

The AMU reported a continuing shift from User to Transactional based licensing which, in line with recent years, has contributed to a reduction in total PAF revenue compared to the previous year.

Costs for the supply, quality and maintenance of PAF address data increased in 18/19, because they are predominantly driven by the cost of frontline staff in Royal Mail Operations and were therefore affected by last year's pay increases and the implementation of the first part of the shorter working week. The Board recommended that the AMU continue to challenge RM Operations on the commercial terms of the agreement for PAF quality assurance work.

It was noted by the Board that costs directly under AMU's control had reduced again during 2018/19. The AMU had little control over costs allocated to them from central RM Group functions.

A copy of the presentation is included at Annex A.

Charles Neilson mentioned that Ofcom were currently undertaking work to evaluate allocation of costs across the Royal Mail Group, although given the size of costs involved this may not filter down to the AMU level. Charles Neilson advised that Ofcom were running a workshop on 10th October 2019 to discuss progress on cost modelling and he would be happy to report any discussion relevant to RM cost allocations to the AMU.

ACTION: The Board invited Charles to provide an update from the workshop at the November PAB meeting

8. 2018/19 Account Management Customer Contact AMU

The AMU presented an overview of customer engagement by the AMU account management team during 2018/19.

Highlights were:

- 38 of the Top 40 Solutions Providers were visited during the year – some several times - and all Solutions Providers were supported by the desk-based account team, supplementing visits by RM staff
- 31 new customers had been added to the AMU Direct End User customer base
- 14 new SPs had been added and 8 had left
- The team were issuing and processing c.35 Direct End User renewal invites per month
- The team had overseen 64 customer audits by a third-party auditor, with almost all resulting in positive outcomes

Customer feedback indicated that audits were helpful in identifying and informing improvement opportunities in the way that PAF data were used.

The Board questioned how the AMU could be sure that customers who did not renew as Direct End Users were not still using PAF. The AMU advised they regularly reviewed previous customer websites to establish whether PAF was still being used. No instances of misuse were evident.

ACTION: The Board invited the AMU to present a summary of account management customer engagement on an annual basis going forward.

A copy of the presentation is included at Annex B.

9. Scottish Census Trial Report Update AMU

This item was deferred to the November PAB meeting.

10. PAF Website Refresh AMU

The AMU advised that the Licensing Centre was now embedded within the overall PAF website (previously it was a separate section only accessed by a link at the bottom of the PAF homepage). All content relating to PAF could now be accessed directly on poweredby-paf.com

The AMU also demonstrated that they had streamlined the Licensing Centre area of the website and tidied some other areas of the PAF site. This was warmly welcomed by the PAB.

PAB members suggested that the search criteria for finding relevant SPs and services could be simplified. The AMU invited Board members to submit ideas for improvements.

ACTION: The Chairman invited all PAB members to provide search criteria suggestions to the AMU for consideration and invited the AMU to update the Board at the November meeting.

The PAB advised that it would be helpful if the AMU were to ensure much more explicit links between the wider Royal Mail Group website and poweredbypaf.com, making PAF a more prominent feature on the business area of the Royal Mail site.

ACTION: The Board invited the AMU to investigate and update at a future PAB meeting

11. AMU & Geospatial Commission Discussions **AMU**

The AMU reported that 3 members of the Geospatial Commission had visited the AMU Operation in Doxford recently and commented on how smoothly the relationships between Local Authorities, the AMU and Royal Mail Operations worked in the Address Creation and Maintenance processes for PAF data.

Discussion between the AMU and the Commission centred on the Public Sector Licence (PSL), with both parties keen to ensure that extensions to the licence were agreed in a more timely fashion than in previous years and to also look at the options for extending the PSL beyond the usual one-year extension horizon.

In respect of the Public Sector Licence, the Board asked if recent price increases were of a similar level to those seen by the private sector, and AMU confirmed that they were

ACTION: The Board invited the AMU to update the PAB at the November PAB meeting.

12. Media Update **Chairman**

The PAB discussed recent media reporting on addressing-related matters.

what3words had run a successful promotional activity over the Summer to drive understanding and use of their addressing solution.

The PAB recognised there were opportunities for last mile delivery solutions and alternative location models based on specific country and/ or infrastructure set up.

However, PAB members' customers had advised that key drivers determining the use of addressing solutions were accurate delivery combined with the ability to have a simple check-out for online orders.

Media coverage surrounding autonomous vehicle technology and similar applications suggested an increasing volume of location and co-ordinate data, which might be useable to enhance addressing solutions.

The Board confirmed that it would be valuable to have discussions about wider addressing developments on a regular basis.

13. November Meeting Location

Secretary

The Secretary reported that a host venue had yet to be confirmed for the November PAB meeting. David Green volunteered GB Group to host the meeting. This was warmly welcomed by the Board.

ACTION: The Secretary to liaise with GB Group to confirm location, timings and domestics.

14. 2020 PAB Calendar

Chairman

The PAB agreed to move to a quarterly meeting rhythm for 2020, with meetings scheduled for January, April, June and October.

ACTION: The Secretary to build the calendar of dates and locations with input from PAB members on the most appropriate and convenient dates.

15. Next meeting

13:00 on 21st November 2019, to be held at the offices of GB Group, 1st Floor, 128 Queen Victoria Street, London, EC4V 4BJ



Published P&L – FY18/19

Regulatory income statement for selected products

	53 weeks ended 31 March 2019		52 weeks ended 25 March 2018	
	Network Access £m	PAF £m	Network Access £m	PAF £m
Revenue	3,544	31	1,546	32
Operating costs	(1,573)	(27)	(1,504)	(26)
People costs	(1,239)	(21)	(1,186)	(21)
Depreciation and amortisation	(72)	(1)	(65)	-
Other operating costs	(262)	(5)	(253)	(5)
Operating (loss)/profit	(29)	4	42	6
Transformation costs	(2)	(2)	(18)	(2)
Financeability EBIT	(54)	2	24	4
Financeability EBIT as % of total revenues	(3.5)%	8.0%	1.6%	14.1%
Volumes (million items)	6,709	-	6,992	-



£m	18/19	17/18
Revenue	31	32
Op. Costs	(27)	(25)
Op. Profit before	4	6
Transformation	(2)	(2)
Op. Profit after	2	4
Op. Margin after	8.0%	14.1%

£m	18/19	17/18
Revenue	31.314	31.601
Op. Costs	(27.306)	(25.432)
Op. Profit before	4.008	6.169
Transformation	(1.516)	(1.722)
Op. Profit after	2.492	4.447
Op. Margin after	8.0%	14.1%



AMU Customer Contact Update

Alasdair MacHardy



POWEREDBYPAF.COM

Contact Strategy

Account Manage Top 40 Solutions Providers
Desk-based Account Management
Nursery Programme
Direct End Users
Corporate Accounts
Audits (DQM and DEU Assurance)



Activities 2018/19

- Visits to 38 of Top 40
- 30 visits to Nursery, DBAMs, DEU and Corporates
- 14 x new Solutions Providers (introduction meeting with 9)
- 8 x SPs withdrawn
- Average of 35 x DEU renewal invites sent per month
- 31 x new DEUs, 10 x DEUs withdrawn
- DQM - 64 audits
- DEU Assurance 110 x Invites, 23 x Completed 11 x in progress

