

THE POSTCODE ADDRESS FILE ADVISORY BOARD (PAB)

Minutes of meeting held at 13:00 on 31 October 2022

By video conference

Present

Ian Beesley	Chairman
Ian Paterson	Mail Competition Forum
Simon Biltcliffe	Webmart
Paul Cresswell	Experian
Neil Haydock	Metapack
Stuart Watt	GB Group
Rob Parker	CACI
Paul Brough	Mail Users' Association
Steve Goodsell	Royal Mail Group
Tim Drye	Direct Marketing Association
Ron Wilkinson	Improvement Service, Scotland
Paul Roberts	Board Secretary

In attendance

Ian Evans	AMU
Tom Foyle	AMU

Apologies

Charles Neilson	Mail Competition Forum
Nick Chapellaz	GeoPlace
Dan Cooper	Allies Computing

1 Introduction

The Chairman welcomed Stuart Watt from GB Group (GBG) to membership of the PAB. Stuart will provide continuity of representation and input from GBG, following on from David Green's valuable contribution over recent years.

The Chairman reported the tragic news of the death of previous PAB member David Heyes. David had represented Local Government with distinction on the PAB over many years and his warmth, wit and 'Northern Directness', along with his expertise in addressing, will be greatly missed. The Chairman confirmed that the PAB intends to make a contribution to the chosen charity of David's family.

2 Pre-reading Materials – Comments & Questions

PAB members welcomed further improvements to the provision and quality of information provided in advance of the meeting.

a. AMU PDA Requirements

The AMU had confirmed that due to wider business priorities, the ongoing suite of AMU-driven PDA requirements would be deferred and would be reviewed again in approximately 6 months.

ACTION: The Board invited the AMU to update further at the April 2023 PAB meeting.

b. AMU & RM Ops SLA Developments

The AMU confirmed that the existing SLA arrangements would be rolled forward for a further year (to cover 2023/24) and that discussions would be likely to re-commence on a more flexible SLA model (as per previous PAB discussions) during the first part of 2023/24. The AMU also confirmed that, although there was no explicit SLA provision in the current agreement for Ops to provide targeted improvement activities during 2023/24, this would not prevent ongoing PAF improvement activities being developed and delivered before a new SLA comes into force.

PAB members expressed concern that the existing SLA model being rolled forward for a further year may reduce RM Operations view on the importance of PAF accuracy and resultant focus on PAF improvement actions. The AMU reiterated that the existing approach to improvement actions would continue, and the AMU would continue to pursue a targeted set of improvement activities with RM Ops.

ACTION: The Board invited the AMU to update on the current position at the April 2023 PAB meeting

c. Public Sector Licence (PSL) Developments

Further to previous 2022 PAB minutes. The AMU confirmed that discussions were progressing as planned.

The Board asked whether there would be any potential impact from recent changes in Government and possible changes to policy, and suggested it could be valuable to press

ahead at pace on a new agreement in advance of any potential policy changes. The AMU advised that there was no current indication that changes would impact on PSL developments.

The Board also asked what the length of term for the new PSL would be. The AMU commented that options for one-, three- and five-year agreements were under consideration.

ACTION: The Board invited the AMU to update on the current position at the January 2023 PAB meeting

d. Not yet Built (NYB) to PAF measurements

The AMU reported that discussions with GeoPlace on a number of activities (as recorded in previous PAB minutes) were ongoing and that it was likely that useful NYB to PAF measures would emerge from those discussions, which the AMU intimated may be completed between January and March 2023. Board members commented that measures could potentially be driven by comparison to other local authority indicators, such as when refuse collections began for new properties.

ACTION: The Secretary to obtain input from Nick Chapellaz on the GeoPlace view on timescales and likely outputs.

Board members asked whether complaint and enquiry volumes on delays in transferring addresses from the NYB file to PAF could be recorded and whether this could be a useful measure to track over time.

ACTION: The Board invited the AMU to investigate the ability to capture NYB to PAF complaints and whether this would be a useful measure to track.

e. Business Names Actions

Further to previous discussions, the Board recognized that, due to the ongoing industrial action across RMG and the resultant impact to the capacity and use of AMU resources, a lower level of business mailing and business name analysis/ improvement would be conducted in the short term.

The Board asked what the timescales were for companies to tender to conduct research on alternative business address data sources. The AMU confirmed that the PAB would be consulted.

ACTION: The Board requested that the next meeting of the PAB business names working group (BNWG), scheduled for November, should confirm the plans.

The Board welcomed the increase in PAF changes arising from examination of Companies House data, and it was confirmed that this was due to improved filtering of the source data by the AMU.

BNWG inputs had been given on the next phase of 'business at residential' letters due to be posted by the AMU in the coming weeks. These would be confirmed and agreed with the BNWG at the next BNWG meeting.

The Board asked whether there was any feedback from Parcelforce Worldwide (PfWW) that could be obtained to improve the accuracy of business addresses on PAF.

ACTION: The Board invited the AMU to investigate with PfWW and update the BNWG.

The Board suggested a brainstorming session to think of the most useful methods and measures for analysing business name accuracy, with representatives from Public and Private sectors attending to give thoughts and inputs.

Tim Drye volunteered to give some initial input in a number of business name improvement areas (potential companies to conduct research, representatives to give input to a brainstorming session, potential measures). The PAB and AMU welcomed this.

The AMU advised they were already receiving a relevant statistic from DQM and would feed that into discussions.

f. Quarterly Data Quality

Board members commented that the new format of adding notes on analysis of the data and potential actions was much improved on previous quarters' presentations.

The PAB confirmed that actions to help arrest the ongoing decline of quality results (considering local anomalies) should be the highest priority for joint AMU and PAB working.

The AMU advised that they were preparing a communications campaign directed at RM Operations to highlight the importance of PAF data accuracy (to include an element on business name accuracy). This was warmly welcomed by the PAB.

ACTION: The PAB invited the AMU to develop a measure of the impact of the planned campaign using pre- and post-campaign levels of awareness of the importance of accurate PAF data as an indicator of campaign success.

ACTION: The Board urged the AMU to work with the PAB as early as possible on key PAF value messages during preparation of the campaign.

The latest data quality report is at Annex A.

g. Labelling

Further to the previous I action on the use of labels recording non-delivery of mail, Steve Goodsell reported that feedback had indicated that whilst the labelling itself had been found to be satisfactory, consistency in its use was weak. RM Operations would include a refresher in the proper use of labelling which would be used in workforce training.

3 Chairman's Update

The Chairman reported on a meeting with Richard Travers (Managing Director of Wholesale and Revenue at Royal Mail) in September. The main focus had been on the current and declining levels of PAF data quality, and the actions required to turn around the decline. .

Richard had suggested that as soon as was practicable, a significant push on communication across RM highlighting the value of PAF accuracy should be undertaken. (See item 2(f) above.)

The Board discussed the role of RM Operational staff in society and the part that PAF played in supporting that role. The AMU confirmed that they were a regular contributor to RM plans for Corporate and Social Responsibility.

Richard had also confirmed that there was a strong link between AMU (PAF) priorities and PAB priorities, as discussed and recorded in the July 2022 PAB meeting minutes.

4 AMU Financial Report 2021/22

The Board discussed the AMU financial report. Revenue and resultant profit levels were higher than previous years due to a significant short-term increase in transactional revenues through e-commerce sales during the Covid-19 pandemic. This was not expected to continue for 2022/23, as both Board members and the AMU input confirmed there were already signs that the e-commerce market was slowing.

Licence Revenues had continued to move from annual user-based licensing to a transactional basis, as in previous years. However, the rate of change was slower than in previous years. Nevertheless, the AMU and Board agreed that the move to transactional licensing had been the prime driver in the overall growth of AMU revenues over recent years.

The Board further noted that Transactional Licensing offered a cost effective and flexible solution for end users but made the forecasting of PAF revenue more difficult.

The Board noted that the AMU contribution to RM overhead costs had fallen significantly in 2021/22 compared to the preceding year, which had included additional spending on PPE.

The Board also commented that the RM Transformation costs apportionment to the AMU fluctuated significantly between years. The AMU explained that this was due to wider RM spend levels and priorities that were not in the AMU's control.

ACTION: The Board invited the AMU to share the movement of Bureau revenues over recent years, to enable comparison to user and transactional licensing revenues

The PAF P&L summary is at [Annex B](#).

5 Impacts of Strike Action on the AMU

The AMU advised that the ongoing RM Operational staff strike actions were affecting AMU resources in two ways:

- AMU managers and staff were being asked to cover some RM Operational duties on strike days
- Staff in Royal Mail Customer Service who usually provide support for AMU activities were required to cover spikes in complaint volumes received as a result of strike actions.

Both impacts resulted in regular AMU work being delayed.

The Board recognized the impact of the strike actions on AMU staff and thanked the AMU and its support from RM Customer Service for their continued contribution to the quality of the PAF file.

6 2023 PAB meetings

Meetings were agreed for the following dates in 2023:

- 19 January
- 20 April
- 20 July
- 19 October

ACTION: The Chairman to arrange a visit to Auctane to conduct a test run on hybrid capability, prior to confirming the venue as host for the January 2023 PAB meeting.

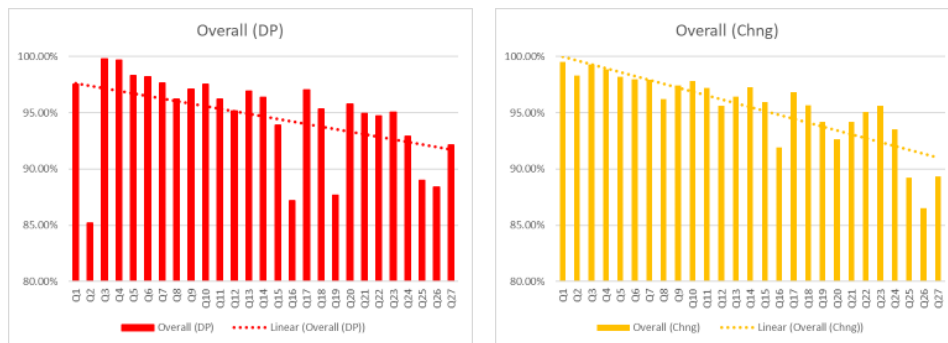
7 Next Meeting

19 January 2023, 11:30 – 13:30, venue to be confirmed (as **item 6** above), expected to be a hybrid meeting.

Annex A – Latest Quarterly PAF Data Quality



Overall scores



Over the seven years of audit data, our two key Quality measures Completeness (DP) and Accuracy (Changes) continue to trend down



What are the AMU doing?

We continue to receive, review and act on specific issues on a Quarterly basis

Business v Residential analysis suggests

- the Completeness problem is primarily a Residential issue

- the Accuracy problem is primarily a Business Names issue

We already have activity underway on Business Names aimed at addressing the issues with Business Name accuracy

We are also initiating a multi -channel internal training and comms campaign aimed at raising awareness of the value and importance of PAF to frontline Ops staff

On both of these areas we will be working closely with PAB for ideas, advice and input



Annex B – PAF P&L Summary 2021/22



Published P&L – FY21/22

Regulatory income statement for selected products

	52 weeks ended 27 March 2022		52 weeks ended 28 March 2021	
	Network Access £m	PAF £m	Network Access £m	PAF £m
Revenue	1,489	35	1,321	32
Operating costs	(1,567)	(29)	(1,446)	(29)
People costs	(1,221)	(23)	(1,118)	(23)
Depreciation and amortisation	(66)	(1)	(66)	(1)
Other operating costs	(280)	(5)	(262)	(5)
Operating (loss)/profit before transformation costs	(78)	6	(125)	3
Transformation costs	(39)	(2)	(32)	(2)
Financeability EBIT	(117)	4	(157)	1
Financeability EBIT as % of total revenues	(7.9)%	10.4%	(11.9)%	6.2%
Volumes (million items)	5,387	-	5,013	-

The Financeability EBIT margin for Postcode Address File (PAF) reflects the calculated result prior to rounding adjustments.



£m	21/22	20/21
Revenue	34,635	32,405
Op. Costs	(28,977)	(28,678)
Op. Profit before	5,658	3,727
Transformation	(2,041)	(1,719)
Op. Profit after	3,617	2,008
Op. Margin after	10.4%	6.2%

