

11 May 2006

by e-mail to:  
Belinda Thomas  
Market Infrastructure Directorate  
Postcomm  
6 Hercules Road  
London  
SE1 7DB

Dear Belinda

Re: **Postcomm's proposals for the future management of the PAF - A consultation document**

Thank you for the opportunity to study and respond to Postcomm's proposals for the future management of PAF. I write on behalf of the Improvement and Development Agency (IDeA), which was created by local government, to lead local government improvement. It acts independently of central government and regulatory bodies, to stimulate and support self-sustaining improvement and development within local authorities in England and Wales.

Through our wholly owned subsidiary, Local Government Information House (LGIH), IDeA has taken a keen interest in projects aimed at coordinating information and processes at a national level. Of particular relevance to your report is our work on a National Land and Property Gazetteer (NLPG), and our role within the Mapping Services Agreement (MSA)– a joint procurement that provides appropriate map, street and address based information services from three service providers to local authorities, police, fire, passenger transport authorities and national parks.

In addition to this letter, which sets out IDeA's overall views on Postcomm's report, LGIH has worked closely with colleagues involved in address management within local authorities. On behalf of these interests LGIH has collated, and submitted to Postcomm, a more detailed practitioners' view of the consultation document. IDeA's response focuses on the coordination and provision to Royal Mail of address change intelligence.

Local authorities are heavily involved in the address management cycle in this country, through both their statutory duties in street name and numbering, their related interests in the full property lifecycle from development to demolition, and as users of addresses in their many different service delivery responsibilities. As such we share Postcomm's interests in efficient mail services in general, and the part that the Postcode Address File (PAF) should play within the delivery of such services.

One of the newly-introduced contractual obligations within the MSA is for local authorities to provide details of new addresses, and other address change intelligence to be collated into the NLPG, and subsequently used by all tiers of local government, plus emergency services etc. In return LGIH, through the appropriate service provider, must provide a service to make such changes known to those interested parties, including Royal Mail, who are informed or consulted when new addresses are

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being created, thus relieving individual local authorities of this task, and providing a single coordinated source to those requiring the information. The approach to the provision of address change intelligence from local authorities to PAF has to date, as your report confirms, been informal and ad hoc. The introduction of your recommendations by Royal Mail would remedy this situation and bring about a more efficient process with higher quality and more consistent data being provided by local authorities for PAF and all its users. We therefore welcome the Postcomm report, and look forward to its adoption and implementation by Royal Mail.

Before providing some more detailed comments on specific issues within your proposals, it is relevant to point out some potential problems in achieving the formalised supply conditions that you recommend. The issues of intellectual property within address datasets has been a matter of some controversy for several years, and despite attempts, such as Project Acacia, to resolve these matters, the web of commercial agreements which surrounds address data in general, and NLPG in particular, is still complex. We have already begun discussions with Royal Mail to investigate the technical mechanisms and commercial arrangements under which LGIH could provide a single feed of address change intelligence to Royal Mail. Initial indications are that the technical mechanisms to exchange data are achievable, and a pilot project to test them out is under consideration. Discussions on the commercial agreements are lagging somewhat, and will need a large measure of cooperative discussion if they are to succeed.

Our reading of the commercial constraints that relate to this situation is that we will not be able to provide the total range of address change intelligence unless both Royal Mail and Ordnance Survey adapt their current commercial policies. Where we can provide data, for example, information on newly-developed properties, we will need to tailor the data handling processes such that they avoid IPR constraints. This may mean additional investment costs, which we would need to reflect within the negotiations.

We can reassure you that we will commit our efforts to achieving a sustainable agreement on these matters, in line with the approach your report recommends. We would welcome your support in encouraging and monitoring Royal Mail during the discussions with us. Equally, we are willing to keep Postcomm apprised on the progress of these negotiations, if that would be of value.

Sincerely,

**David Denison**

e-Government Consultant  
Improvement & Development Agency

## IDeA response to Postcomm consultation

<b>Postcomm Report Reference</b>	<b>IDeA commentary</b>
Exec Summary S5 bullet 2	IDeA would welcome the introduction by Royal Mail of objective and fair contractual arrangements with suppliers of address change data to PAF to secure key information sources. We agree that local authorities are a key information source in this context. It is our belief that LGIH can and should act to coordinate the exchange of such information rather than Royal Mail attempting to replicate data collection that already exists under the MSA for creation of the NLPG.
Exec Summary S5 bullet 3	IDeA concur that Royal Mail should ensure equal access for PAF use and resale, and that Royal Mail should pay directly for its PAF usage on identical terms and conditions to like users. We note that Royal Mail is extending its PAF related information into other related products and would suggest that these too should be under a common regime regarding commercial availability.
Exec Summary S5 bullet 4	IDeA recommends that an appropriate nominee should represent local government if Royal Mail create an Advisory Board to 'inject' market requirements into Royal Mail.
Exec Summary S5 bullet 5	IDeA recognises the complexity of commercial agreements regarding address datasets. We will support and encourage moves by Royal Mail to design a flexible and responsive licensing framework that promotes use of PAF and encourages good addressing.
6.33 bullet 1	IDeA support the proposal for Royal Mail to create a separate, clearly ring-fenced, business unit exclusively responsible for managing the maintenance, development and distribution of PAF <i>and</i> related products. Proper controls should be employed to prevent unfair advantage occurring to Royal Mail or any third party, in the same way that Public Sector Information regulations seek to protect commercial users in the usage of data provided by public sector information holders.
6.33 bullet 1	The Pproposal for Royal Mail to introduce clear, objective and non-discriminatory contracts for inter-business unit transactions and external supply arrangements are warmly welcomed by IDeA. We note the inclusion of local authorities as an external source of supply in Fig 5 in Postcomm's report and agree that contractual relationships are needed in this context. We have noted in our covering letter some of the complexity surrounding these issues. This may mean that achieving this goal will be a non-trivial task requiring a cooperative partnership approach between Royal Mail and the IDeA, and possibly some flexibility from other parties involved in the sourcing of data from local authorities, in particular, Ordnance Survey.
9.13, 9.14, 921 and 9.22	We agree that the absence of contractual arrangements, and standard procedures for address change intelligence supplied from local authorities is a crucial shortfall in PAF, given the importance of the source as exemplified by Leeds City Council. Postcomm confirm that local authorities contribution in providing updates cannot be overstated. Any reluctance to continue supply is premised on the fact that local authorities receive no recognition for the supply of the data, and are subsequently charged for any re-use in data supplied not just by Royal Mail, but

	also from several downstream suppliers of related address information. We strongly support the moves to rectify this situation
9.30 bullet 1	As indicated earlier IDeA is already actively seeking to engage with Royal Mail in discussions to secure local authority information as an essential contribution to PAF. We have initiated discussions on technical issues around the processes for transferring information, and also seek to clarify commercial matters surrounding the use of data. As indicated earlier, our concerns around the complexity of intellectual property rights vested in address datasets mean that these discussions will be challenging and require a supportive attitude from all involved both directly, and indirectly.