

ODUG Response to BIS Open National Address Gazetteer Report

1. Introduction

ODUG welcomes the report written for BIS by Katalysis Ltd (which we will refer to as ‘the Report’), on options for an Open National Address Gazetteer, as a positive step towards the Government’s aspiration, expressed in the Open Data White Paper¹ to ensure that a single definitive National Address Register, the National Address Gazetteer (NAG) should be maintained.

The Report has been written at a time when data policy has been evolving. Most importantly the status of the Postcode Address File (PAF) has changed due to its sale as part of the Royal Mail privatisation. ODUG strongly objected to the Government allowing the PAF to be taken into private ownership and continues to believe that this was not in the national interest. This view has been vindicated by the findings of the Commons Public Administration Select Committee (PASC) whose report² describes the sale of PAF by the Government as a mistake.

2. Terms of Reference

The Report had limited terms of reference so critical issues such as the full economic argument for maintaining a NAG and the cost of address maintenance were outside its scope, as was the issue of the ownership and associated Intellectual Property Rights (IPR) in address data.

It is difficult to see how a sensible decision about how a single definitive NAG can be created, maintained and financed can be taken without a definition of the purpose(s) for which the NAG should be maintained, also in the absence of realistic estimates of what would constitute reasonable costs for such an undertaking.

The Report therefore concentrates on the recent, often unfortunate and wasteful, history of different government agencies compiling competing address registers in the UK and on the muddled and complex maintenance procedures.

3. Options and recommendations

The Report offers seven options for the NAG, with the overall recommendation that government should make “some level of address data free at the point of use” (through Option 5) and sponsor “the specification and provision of an Open Addresses product which is a periodic snapshot of the current existing products” (Option 7).

ODUG’s feedback on each option is set out below:

Option 1. Totally Open – ***supported medium/long term***

Option 2. Evolving status quo – Not supported - does not meet the needs of the wider economy, restricts potential public sector efficiencies and growth and innovation opportunities, especially for SMEs.

¹ www.gov.uk/government/uploads/system/uploads/attachment_data/file/78946/CM8353_acc.pdf

² www.publications.parliament.uk/pa/cm201314/cmselect/cmpubadm/564/56402.htm

Option 3. Extended bulk purchases – Not supported - does not meet the needs of the wider economy, restricts potential public sector efficiencies and growth and innovation opportunities, especially for SMEs.

Option 4. New charging models – Not supported - does not meet the needs of the wider economy, restricts potential public sector efficiencies and growth and innovation opportunities, especially for SMEs.

Option 5. Address as an Open Service – Not supported – does not meet the needs of the wider market for addressing data, particularly the innovation of integrated data products and services.

Option 6. Freemium – Not supported - the revenue stream from the ‘premium’ versions is unlikely to be substantial enough to support a useful free release of data.

Option 7. A commissioned Open product – **Supported short/medium term** and as a stepping stone to Option 1.

4. Further Comments

4.1. Data Quality

The report does not consider, in any detail, the issue of data quality and fitness for purpose. As one of the options offered is a Freemium model, providing a lower quality data set as a free product and a higher quality alternative for sale, it is unfortunate that neither data quality nor fitness for purpose have received more attention.

For example, PAF, the most widely used address data set, is not complete or reliable enough for any purpose other than the delivery of correctly addressed mail. Limitations of PAF undermined the 2001 Census. PAF is only adequate for domestic non-critical in-car navigation use and is unsuitable for mission critical despatching such as that required by the emergency services. PAF has serious limitations for addressing new properties and providing first residents with a definitive address to secure banking, utility or credit services. In short PAF, through first mover advantage, the robust protection and assertion of IPR, and the development of a network of value added resellers has dominated the address gazetteer market despite its significant limitations. This issue is not highlighted in the Report.

4.2. Definitive Data

The report uses the word “definitive”, quoting the Government’s aspiration, more than fifty times. Another term used more sparingly, but clearly equally important, is “authoritative”. Neither term is clearly defined in the Report, but ODUG’s view is that a NAG is *definitive* when it is the sole source of correct and officially acceptable versions of identifiers, or addresses that will be used for a particular purpose/s and *authoritative* because those who compile and maintain it have the sole statutory or regulatory authority to maintain it.

In order to select an appropriate way of creating, maintaining, disseminating and financing a definitive NAG the Government must decide what public tasks the NAG will support, who defines what goes in it and who checks its quality.

4.3. Pricing and monopoly supply

ODUG believes that if sufficiently strong regulatory steps are not taken to minimise the impact of the mistake of selling the PAF this has the potential to undermine the government's aspiration for there to be a single, widely used definitive NAG.

A definitive register is a natural monopoly. For that reason, because competitive pressure cannot determine the price, an independent regulatory mechanism is required to set the "reasonable price" that an "authority" can charge for its "definitive" register. The issue of what constitutes "a reasonable price" or how it may be arrived at appears to have been outside the scope of the report.

This is unfortunate as current legislation (Postal Services Acts 2001, 2011) put an onus on the Royal Mail to provide PAF to others at a "reasonable price". ODUG disagrees with Ofcom's view that it is acceptable for PAF to generate a revenue stream to recover its costs and believes, on the basis of professional evidence from a range of address data resellers and others, that Royal Mail's PAF operation is either seriously inefficient, or has non-PAF maintenance costs loaded on to it to generate the current annual maintenance cost of £24m. ODUG further argues that these costs are integral to Royal Mail's core delivery business regardless of whether they supply PAF data to third parties or not and, therefore, that the "reasonable cost" of providing the PAF data to others should be the marginal cost of distribution.

Also, Royal Mail recently³ committed to government, and publicly, that it would make changes to its PAF licensing regime to widen the potential use of the PAF. But their PAF consultation, which has been allowed to proceed unchallenged by Ofcom, is highly focussed on the use of PAF for deliveries and address list management purposes. It does not consider the potential underpinning nature of the PAF for all integrated digital products and services requiring an address component. Therefore, because no analysis of the total potential market for PAF data has been undertaken, the consultation is limited in its scope, and fundamentally flawed.

4.4. PAF alternatives

Royal Mail's business model allows current PAF licensees to use PAF the 'cleanse' their own (third party) address databases against the PAF. Royal Mail therefore accepts that alternate collections of address data, including postcodes exist and are widely use in their own right.

The importance of PAF as the backbone to a definitive NAG is overstated, and by implication overestimated, in the Report.

Although Royal Mail's current ownership of PAF can no longer be challenged, ODUG, believes that in any negotiation of a Public Sector PAF licence, or in the use of postcodes in a NAG which is built and maintained by Local Government and Ordnance Survey, the Government should challenge the primacy of PAF, also GeoPlace and Ordnance Survey's status as value added resellers of PAF.

ODUG urges the government to give consideration to the delivery of a definitive NAG based on a third-party postcode file, rather than assuming that PAF is the only option. The single limitation of such a file would be the inclusion of new postcodes as and when they are allocated for delivery purposes, by the Royal Mail. An issue which could be overcome easily by individual citizens and businesses, through the planning and land registration processes.

4.5. Products versus infrastructure

³ www.royalmailgroup.com/royal-mail-launches-consultation-simpler-postcode-address-file-licensing

There is confusion, which emerges clearly from the Report, as to whether Government, and former government agencies, are creating address 'products' which can be packaged and sold or support paid for services; or whether they are maintaining a National Address Infrastructure and, if they are, whether that infrastructure is considered a public good.

The Report sticks largely to acceptance of the status quo where the two principal sources of addressing, PAF and OS AddressBase are considered to jointly make up the definitive NAG and appears to accept that these 'products' should underpin addressing in England and Wales. The report does not deal in any detail with the possibility of replacing the existing products with an open national address hub, which would expose and make available for use and re-use definitive and current address information for all government and public purposes. Such a hub would have the additional advantage, as a "one-stop-shop" for all address information, would allow errors to be identified reported and corrected quickly and easily and would significantly raise the quality of national address information. Such a hub, by minimising duplication of effort, could significantly reduce the cost of maintaining a National Address Infrastructure.

Open Data User Group
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