

Demographics User Group Conference

2 October 2008

Workshop B:

Commentary by Christopher Roper

1. A number of problems arise from the existing lack of a maintained multi-purpose national address base:
 - a. Duplicated costs. The classic example being the Office of National Statistics (ONS) finding that none of the three candidate address bases (PAF from Royal Mail, NLPG from Intelligent Addressing and Address Layer Two (an enhanced version of PAF) from Ordnance Survey) meet the requirements of ONS in preparing for the 2011 Census. This problem is being solved at great cost (£millions) by matching data from these and other sources (e.g. Valuation Office Agency), and then validating on the ground. However, because 3rd Party Intellectual Property is involved, the resulting dataset will not be available for use outside ONS and may cease to be maintained once the 2011 Census has been taken
 - b. Maintaining historical records (e.g. in the national police database, in customer databases, in environmental registers) that do not match current postal addresses is a major source of error. Postcodes change relatively frequently (about 100,000 address/postcode changes occur every month) and, unless the historical records are maintained in a way that enables automated updates of Postcodes, information will often be lost or made inaccessible.
 - c. A great deal of road congestion arises because delivery vans cannot find buildings that do not have a postcode (i.e. do not receive deliveries from Royal Mail), especially on industrial and trading estates. Other problems arise for both delivery vans and emergency services when streets have variant spellings (about 15% of all streets) or do not appear in street atlases, in-car GPS systems or on the Internet.
 - d. Both the National Land and Property Gazetteer and Ordnance Survey's AL2 were attempts to solve the multi-user address base problem and both have failed. Other address bases (PAF, VOA and ECOES) are single purpose address bases that neither pretend nor seek to be multi-purpose. No single institution or department of government owns the whole problem with a mandate to solve it. Indeed one of the problems has been the bad feeling generated through disputes among the various owners of Addressing IP (e.g. Royal Mail, Ordnance Survey and Intelligent Addressing).
2. Although solutions are well understood, exist in other countries (e.g. United States and Scandinavia), and would be technically relatively simple to implement and maintain, nothing

has been done by central government to impose a solution. There seem to be a number of reasons for this failure:

- a. Senior politicians and civil servants seem unaware of either the scale of the problem or of the measures required to impose a solution on the public sector owners of Addressing IP. In relation to the 2011 census this failure has been recognized and commented on by the Treasury Select Committee.
 - b. Many commercial users seem satisfied with datasets that are neither complete nor fully matchable to a physical property. They are “good enough” for marketing purposes.
 - c. No individual delivery company suffers any competitive disadvantage from a problem which affects them all equally. This is now being passed on to many of the self-employed delivery workers who make the final delivery and personally suffer from the loss due to bad addressing.
 - d. The quest for a National Address Base has been with us for over 20 years, with the public sector owners of Addressing IP each defending their narrowly defined interests.
 - e. Many potential users of the National Address Base have reached an accommodation with the existing situation and may even benefit from its inefficiency through commercial activities that provide work-arounds.
 - f. One member of the group suggested that the real problem was that the cost of creating the dataset was insufficient to interest the major government contractors and therefore never reached the notice of ministers.
3. There are a number of steps that could be taken towards overcoming the present impasse, and the first is to continue efforts, such as the present conference, to build a consensus on a way forward, recognizing that for the time being the consensus is unlikely to include the controllers and beneficiaries (direct and indirect) of the *status quo*. They include
- a. Demonstrating benefits to citizens of a consistently maintained multi-purpose system;
 - b. Proposing a sustainable financial model that does not include *either* direct funding from the Treasury *or* speculative market pricing (see #4 below);
 - c. Proposing a model of governance that is acceptable to all stakeholders from the public, private and voluntary sectors;
 - d. Delivering systemic savings to all users across the public, private and voluntary sectors.
4. The quality of the data and the efficiencies of using reliable address sources are compromised in the present situation because the three major suppliers all seek to rely on arbitrary quasi-monopoly pricing to set the level of income they desire from maintaining the national address database. As various uses of address data have various values, the price users are prepared to pay varies from relatively large amounts to zero. Any price level will limit some degree of beneficial use. The prices set are inevitably speculative, and prudence keeps them high.

Postcomm found that a number of national postal services that maintain a national address file, make it available, but do not charge for it. This appears to make sense because every improperly addressed item of mail generates no additional revenue by penalizing the sender, but places cost on the mail operator because it requires additional effort to deliver or redirect it. Royal Mail have not been willing to make public the cost to them of improperly addressed mail, or to consider the potential savings from better addressing if PAF was made available at no cost.

If speculative monopoly pricing, the current model, does not lead to a sustainable multi-purpose address file, should the money come directly from the Treasury as part of the Tax Vote? Probably not, additional public expenditure, even if it has the potential to save the public more than it costs, is unpopular and subject to cuts in bad times. It is also difficult to justify the level of expenditure that would be needed to maintain the system.

However there is a global addressing system, which is free at the point of use, almost 100% reliable, funded entirely by those who cause/need addresses to be changed and managed by a lightly regulated network of competing private registrars. Internet addressing that maintains the relationship between web page or email addresses and the physical machines, from or to which information is sent, is funded entirely out of modest address registration fees.

Addresses are already registered when planning applications for new property are made and approved, leading to developments whose addresses are subsequently approved for use by the local authority. The Land Registries also levy a land registration charge when properties are transferred or registered for the first time. The advantage of an address levy on Planning and Land Registration fees are that the size of the levy would be very small compared to the charges already made, so scarcely noticeable to those paying and the revenue would be proportional to the number of transactions and hence the size of the maintenance task.

Should additional revenue be needed to maintain a national address base a tiny addition levy on Road Tax would be justifiable as almost all motorists need and use address information to plan their journeys. The free availability of address information could also free up the in-car navigation market which is currently dominated by a global data duopoly of only two major suppliers, who fail to achieve the levels of accuracy that other UK address sources are achieving.

Another major advantage of funding the address register out of a levy on those who cause addresses to change, rather than those who seek to use address data is that there would be a greater incentive on users to discover and identify flaws in the data, and to suggest improvements knowing that the community rather than commercial interests will benefit. It was pointed out that a similar relationship was shown between the quality of blood supplies and voluntary donation without financial reward (“The Gift Relationship” Richard Titmuss).

Only a creative means of sustainably funding an nation address register by collecting charges at the point of change will break the current impasse where three publicly owned or contracted bodies are waging a protracted and expensive war over the ownership of intellectual property which should legitimately be in the public domain.

Governance remains an issue and it is important that a structure is created that meets the needs of all stakeholders in the public, private and voluntary sectors.