



Press Distribution Review Panel

Annual Report 2016

Governance

The Press Distribution Review Panel (PDRP) was established to:

- a. Encourage compliance with the Press Distribution Charter (PDC).
- b. Provide comment on compliance issues.
- c. Ensure continuity of arbitration decisions.
- d. Provide an ongoing mechanism for the identification of trends.
- e. Collect, audit and publish data on compliance

A copy of the PDC can be obtained from wholesalers, the Press Distribution Forum web site www.pressdistributionforum.com or by contacting the PDF Administrator on 0843 289 3967.

The Charter is backed by a free, fair, fast and reliable complaints process which covers most non-commercial aspects of newspaper and magazine distribution. If a retailer has a complaint about a serious or persistent failure to achieve a PDC standard, there are a number of options that can be used to start the complaints process.

The complaints process is structured under a streamline three stage process that puts greater emphasis on resolving issues locally yet provides a final independent arbitration.

The PDC provides a simple, 3-step process that enables a retailer to raise any issue on the standards and get it resolved efficiently as follows:

- Stage 1 – Resolving the issue informally by discussion with the wholesaler.

- Stage 2 – If Step 1 is unsuccessful, request a Fast Track Resolution Form from the wholesaler concerned or the PDF website/Administrator. Complete the form and return it as directed.
- Stage 3 – If unsatisfied with the outcome of Stage 2 or you think Stage 2 has not been completed by the wholesaler within a reasonable time, the PDF Administrator can be requested to refer the complaint to an independent Arbitrator for final adjudication.

This report represents the result of the PDRP's monitoring of the PDC and its complaints process and provides transparency of performance against key measures of delivery and customer service.

Membership of the Press Distribution Review Panel

The PDRP members for the year under review were:

Steve Archer	-	Independent Retailer
Rajiv Chotai	-	Independent Retailer
Linda Gardner	-	Menzies Distribution
Mark Gilhespie	-	NMA
Mark Pardon	-	PPA Resigned April 2016
Trevor Hudson	-	PPA Appointed April 2016
Graham Read	-	Independent Retailer
Neil Robinson	-	Independent Chairman
Andy Smith	-	Smiths News Resigned October 2016
Mark McConnell	-	Smiths News Appointed November 2016
Paresh Vyas	-	Independent Retailer
Dorothy King	-	PDRP Administrator

Mark McConnell replaced Andy Smith as the Smiths News representative at the beginning of November.

Meetings were held on 31/03/2016, 07/07/2016, 01/09/2016 and 06/12/2016. The minutes of these meetings can be found on the Press Distribution Forum web site.

Statistics

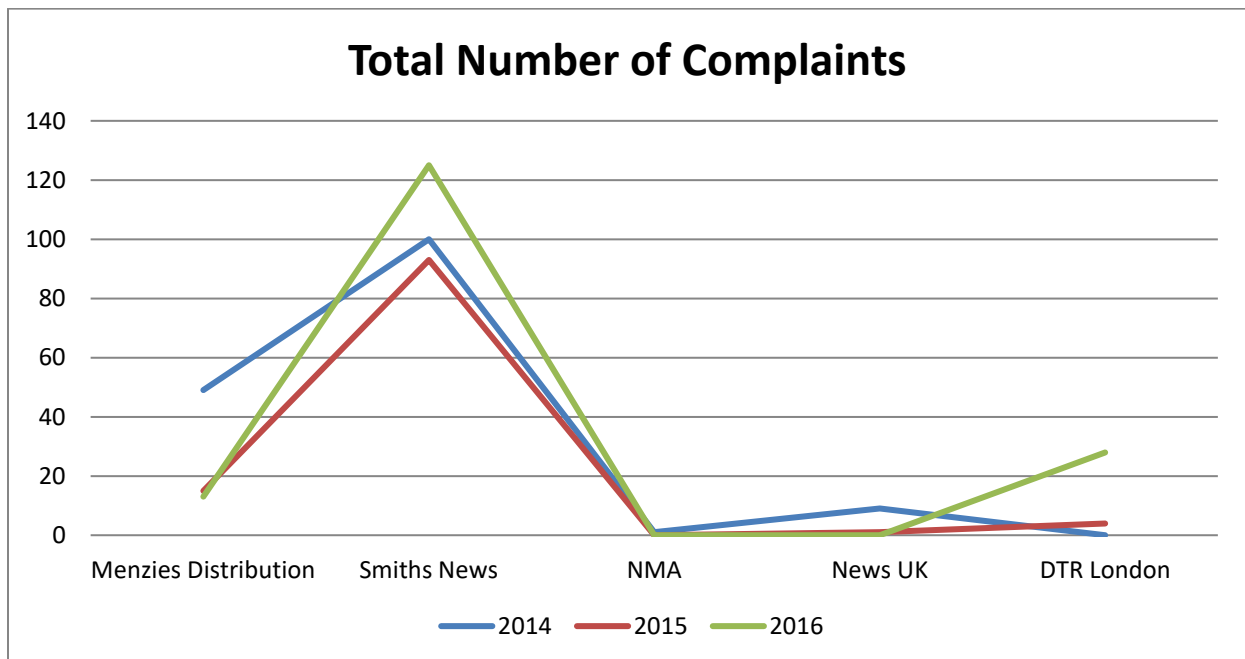
During the twelve month period 1st January 2016 and 31st December 2016 a total of 166 PDC Stage 2 complaint forms were submitted generating a total of 264 breaches of

PDC standards. The complaints originated from 38 wholesale houses and DTR London. There were no complaints against newspaper publishers or magazine wholesalers/distributors.

During this period 9 complaints were escalated to Stage 3 one of which was carried over from 2015.

During the period under review there were in excess of 204 complaints that were resolved via the PDF helpline.

During the twelve month period 1st January 2015 and 31st December 2015 a total of 116 PDC Stage 2 complaint forms were submitted generating a total of 179 breaches of PDC standards. The complaints originated from 35 wholesale houses, DTR London and 1 NMA.



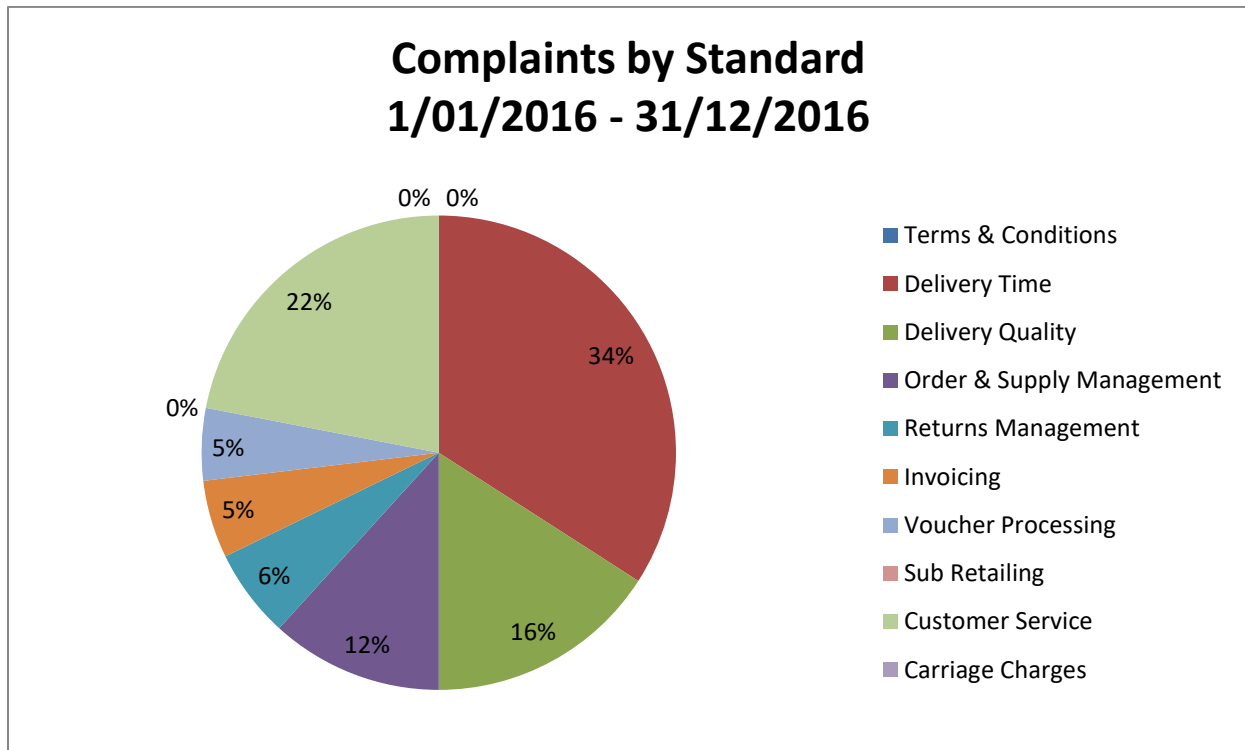
Complaints by Month

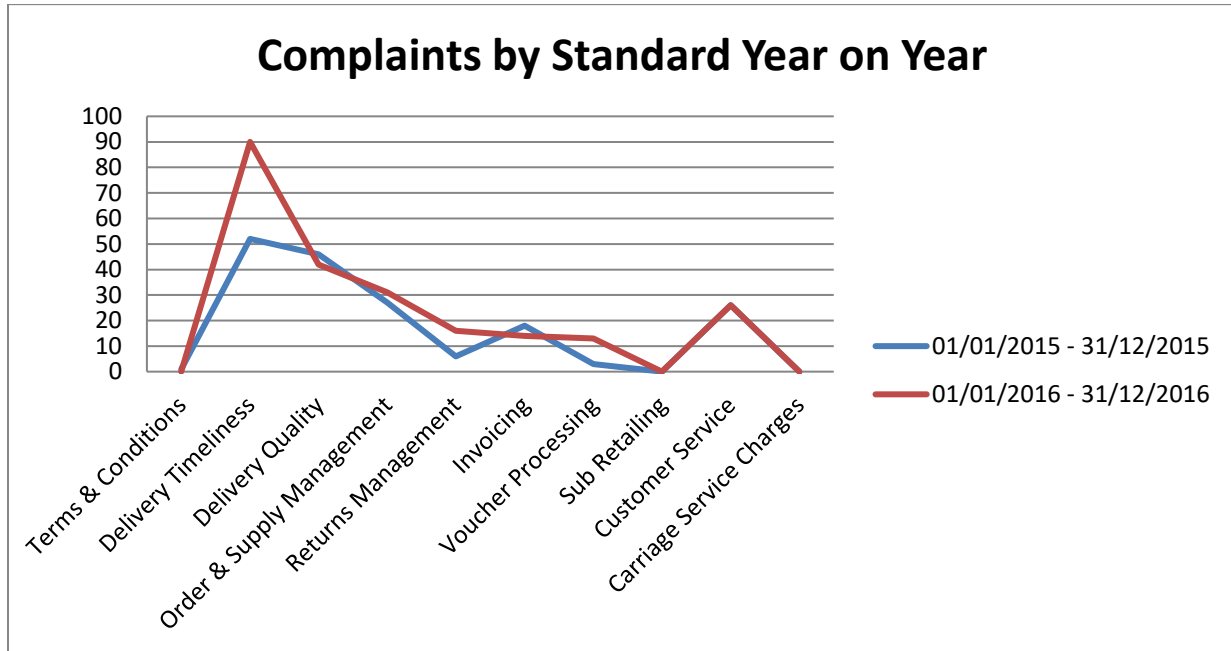
	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
2014	8	8	6	12	11	10	16	15	19	26	16	12
2015	13	9	6	8	10	8	8	9	11	14	11	9
2016	13	12	13	24	12	16	10	9	14	18	19	6

Complaints by Standard

Of the 264 breaches that were reported 0 related to Terms & Conditions, 90 Delivery - Timeliness, 42 Delivery Quality, 31 Order and Supply Management, 16 Returns Management, 14 Invoicing, 13 Voucher Processing, 0 Sub Retailing, 58 Customer Service and 0 Carriage Charges.

During the twelve month period 01/01/2015 - 31/12/2015 of the 179 breaches that were reported 1 related to Terms & Conditions, 52 Delivery Timeliness, 46 Delivery Quality, 27 Order and Supply Management, 6 Returns Management, 18 Invoicing, 3 Voucher Processing, 0 Sub Retailing, 26 Customer Service and 0 Carriage Service Charge.



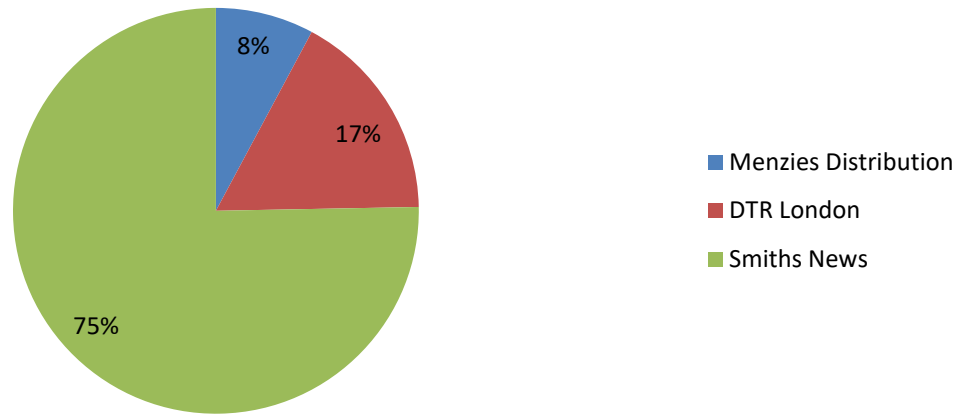


Complaints by Wholesaler

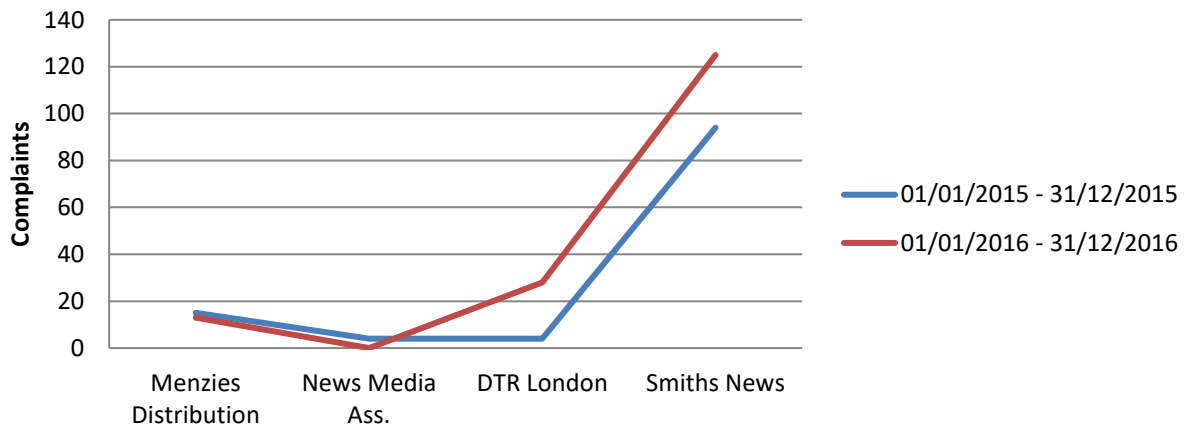
Menzies Distribution dealt with 13 Stage 2 complaints, Smiths News 125, and DTR London 28. There were no complaints regarding newspaper or magazine publishers.

In 2015 Menzies Distribution dealt with 15 Stage 2 complaints, Smiths News 94 DTR London 4. There were 4 complaints regarding newspaper publishers and 0 made to the PPA.

Complaints by Company/Association 01/01/2016 - 31/12/2016



Complaints by Company/Association Year on Year



Type of Complaint by Branch 01/01/2016 - 31/12/2016

Wholesaler/ Publisher	Area	T. & C.	Del. T.	Del. Q.	Ord. & Supp.	R M.	Inv.	V. P.	Sub. Ret.	C. S.	C. C.
Menzies	Linwood		1								
	Maidstone		2	1	1		1				
Dist.	Rhyl		1								
	Ryde			1							
	Sheffield		1								
	S E London		1	1			1				
	Swansea		1		1						
	York			1							
	Total	0	7	4	2	0	2	0	0	0	0
Smiths	Barnstable				2					2	
News	Birmingham		5	3	1					1	
	Borehamwood		3	3	2	1	1			1	
	Bristol				1						
	Crawley		1					1		1	
	Croydon		2	2			1			2	
	Exeter		1			1					
	Gloucester					2		1		1	
	Hammersmith		3	1	2	1	1			5	
	Hornsey		1	2	1	1	1	1		2	
	Lancing		2	1		1				2	
	Leicester									1	

	Liverpool				1					1	
	Milton Keynes		3			1				1	
	Newcastle							1		2	
	Newport		6	5	1	2				3	
	Northampton		1	1	1					1	
	Nottingham		3	1	5					3	
	Oxford		11	4	2		1			4	
	Peterborough		2		1		1				
	Plymouth					1		1		2	
	Reading		3				1	1		5	
	Slough		1		3	1				2	
	Southampton		1	1						1	
	Stevenage		1		2	1				1	
	Stockport		10	7	1		3			8	
	Taunton			2	1					1	
	Warrington									1	
	Wednesbury			1	1			3		1	
	Yeovil		2	2	1		1			3	
	Total		62	36	29	13	11	9	0	58	0
	DTR London		21	2		3	1	4			
	TOTALS	0	90	42	31	16	14	13	0	58	0

Types of Complaint by Branch 1/01/2015 - 31/12/2015

Wholesaler/ Publisher	Area	T. & C.	Del. T.	Del. Q.	Ord. & Supp.	R M.	Inv.	V. P.	Sub. Ret.	C. S.	C. C.
Menzies	Inverness		1								
Dist.	Ipswich			1	1						
	Leeds		1								
	Linwood		1	1							
	Maidstone		2		1		1				
	Newbridge		3		1						
	Preston				1						
	Sheffield		1	1							
	Swansea		1								
	Total	0	10	3	4	0	1	0	0	0	0
Smiths	Barnstable				3					1	
News	Birmingham				1					1	
	Borehamwood		3	1	2		1			3	
	Bournemouth			1			1			1	
	Bristol				1						
	Crawley				1		1				
	Gloucester			2	2					2	
	Hammersmith		8	8		1	4			2	
	Hornsey					1	2				
	Lancing		3	1	1	1		1		1	
	Liverpool			1						1	
	Newport		1	2			5			2	
	Northampton		1								

	Nottingham		5	3	3	1	1			3	
	Oxford		5	4	1			2		2	
	Peterborough		4	4	3					4	
	Plymouth		1	1						1	
	Reading		2	2			1				
	Redruth				1					1	
	Shrewsbury			1							
	Slough		2	2							
	Stevenage		1								
	Stockport	1	3	4	3	1	1			1	
	Swindon				1						
	Warrington			1							
	Yeovil			1							
	Total	1	39	39	23	5	17	3	0	26	0
	DTR London		3	1							
	NMA			3		1					
	TOTALS	1	52	46	27	6	18	3	0	26	0

Timeliness of Stage 2 Process

The Press Distribution Charter provides that Stage 2 complaints should normally be completed within 14 days, but no longer than a maximum of 28 days. The table below records the number of complaints that failed to be completed within 28 days of commencement and the average time for completion in the period 01/01/2016 – 31/12/2016.

Wholesaler/Publisher	Number of Complaints	Not completed in 28 days	Average Time for Completion
DTR London	28	12	25.21
Menzies Distribution	13	1	12.77
Smiths News	125	8	8.94

The figures for the previous year were as follows:

Wholesaler/Publisher	Number of Complaints	Not completed in 28 days	Average Time for Completion
DTR London	4	0	4.72
Menzies Distribution	15	0	6.33
NMA	4	0	11.25
Smiths News	94	5	8.62

During the period under review there were 9 referrals to the Independent Arbitrator who is required to deliver adjudication within 14 days. The average time taken for the adjudications was 11.22 days. The time limit was exceeded on two occasions, but each time further and better particulars were required.

Trends

The basic data for the five years that the PDRP has been in existence is as follows:

Period	Com.	Br/ch	T & C	Del.T	Del.Q	OSM	RM	Inv.	V.P.	SubR	C.S.	C.C.
1/11/10 - 31/10/11	64	76	3	53	N/A	10	3	1	0	N/A	6	N/A
1/11/11 - 31/10/12	111	170	8	74	N/A	31	10	5	31	N/A	8	N/A
1/11/12 - 31/10/13	117	181	12	76	N/A	39	5	5	26	N/A	15	N/A
1/1/14 - 31/12/14	159	262	3	80	49	44	17	22	9	2	35	1
1/1/15 - 31/12/15	117	180	1	53	46	27	6	18	3	0	26	0
1/1/16 - 31/12/16	166	264	0	90	42	31	16	14	0	0	58	0

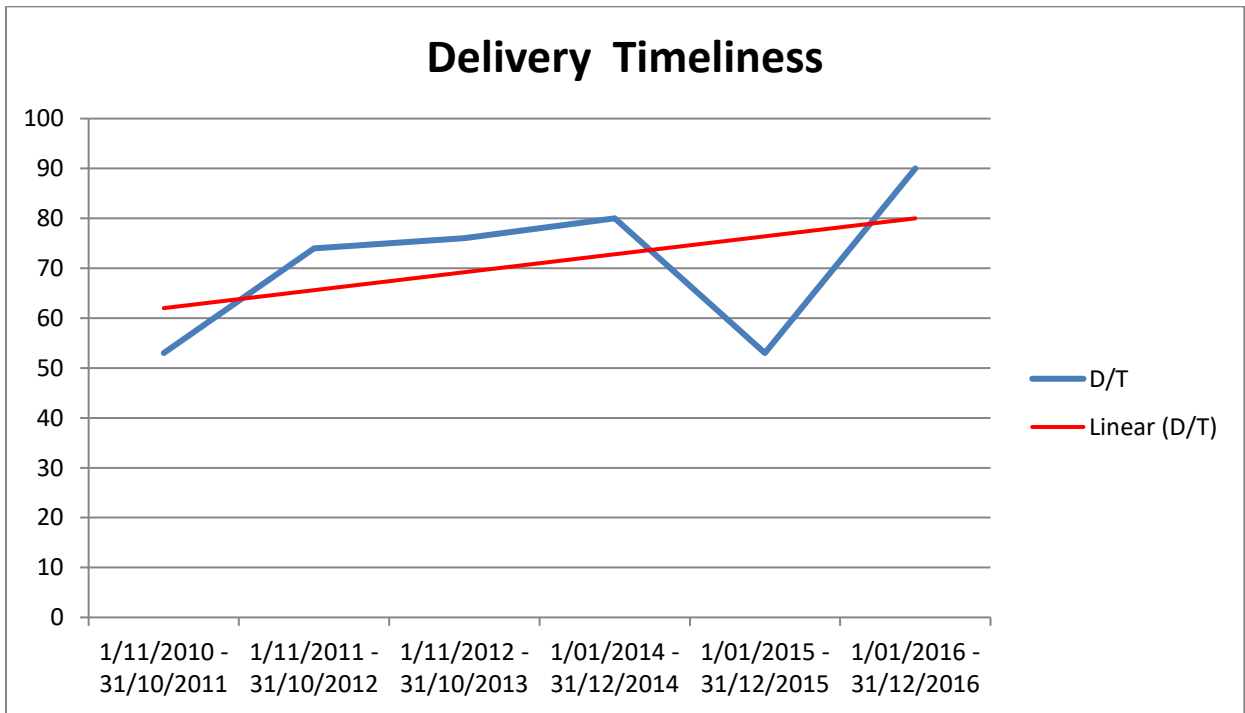
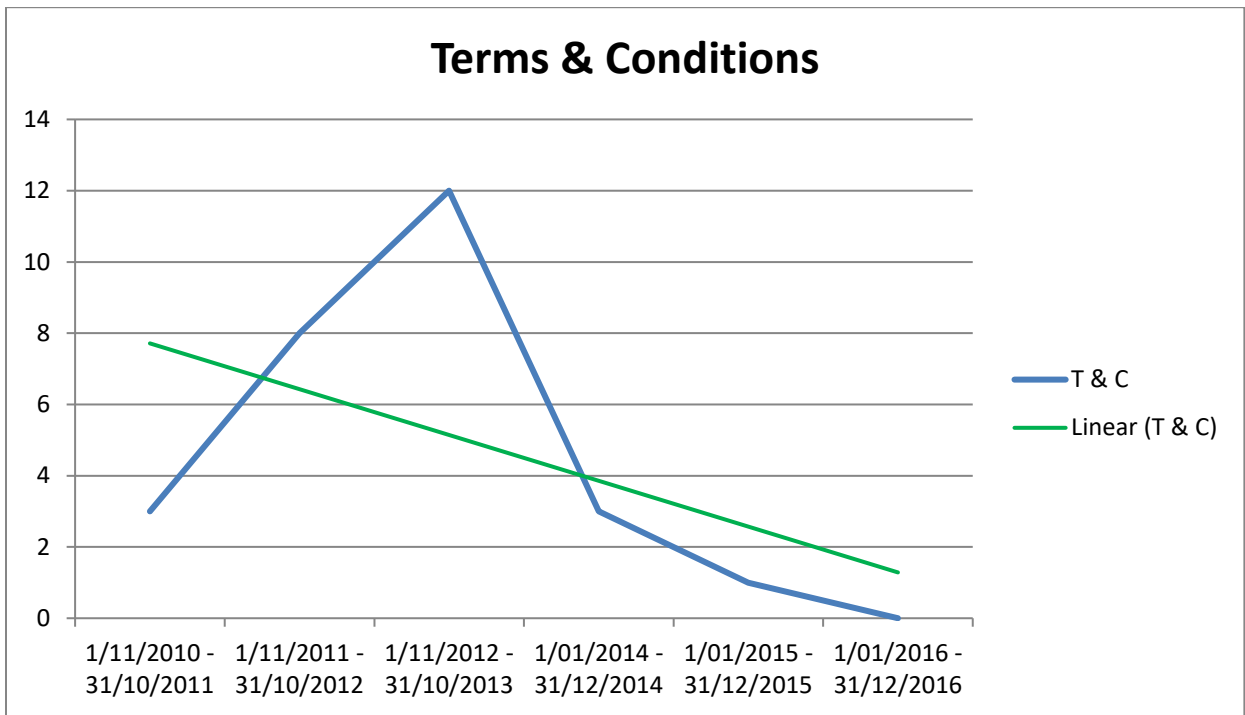
The statistics for the period 01/01/2016 - 31/12/2016 show that there was an increase in the number of complaints made under the Press Distribution Charter complaints process.

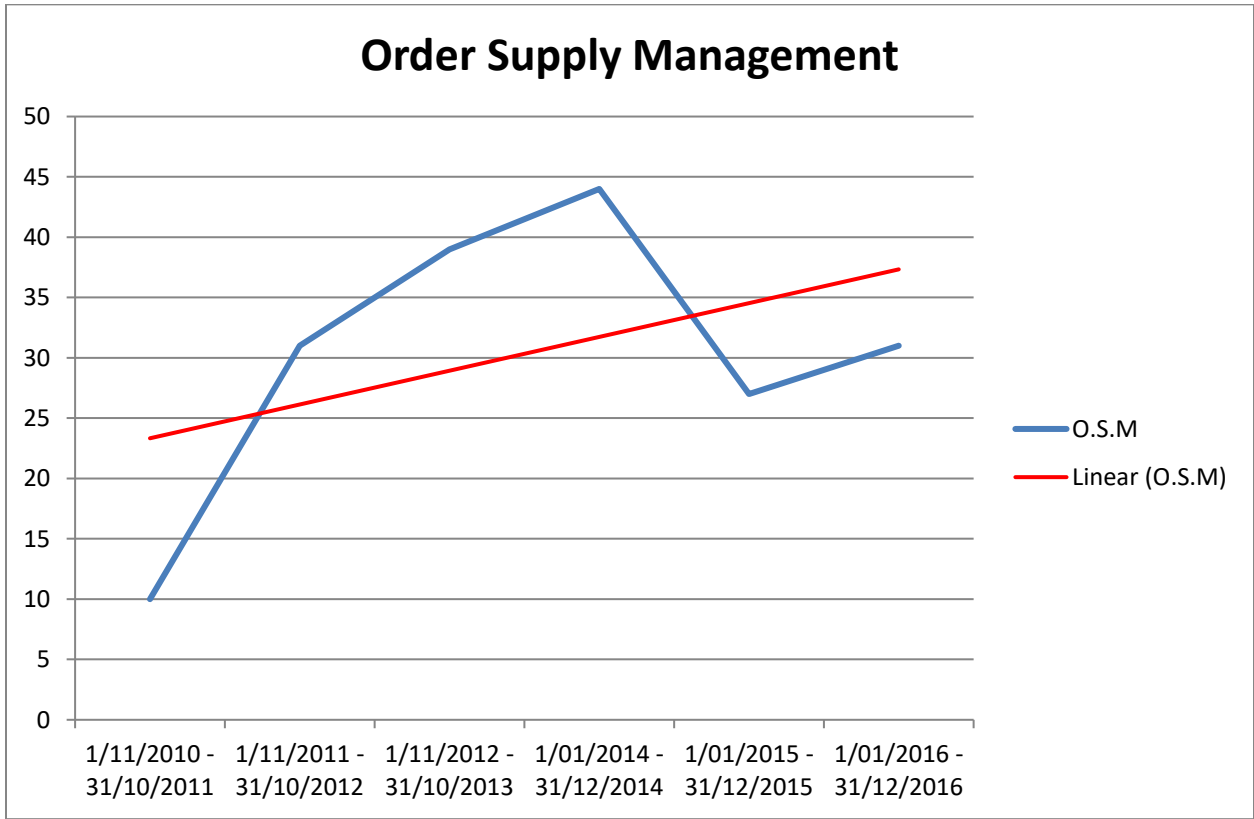
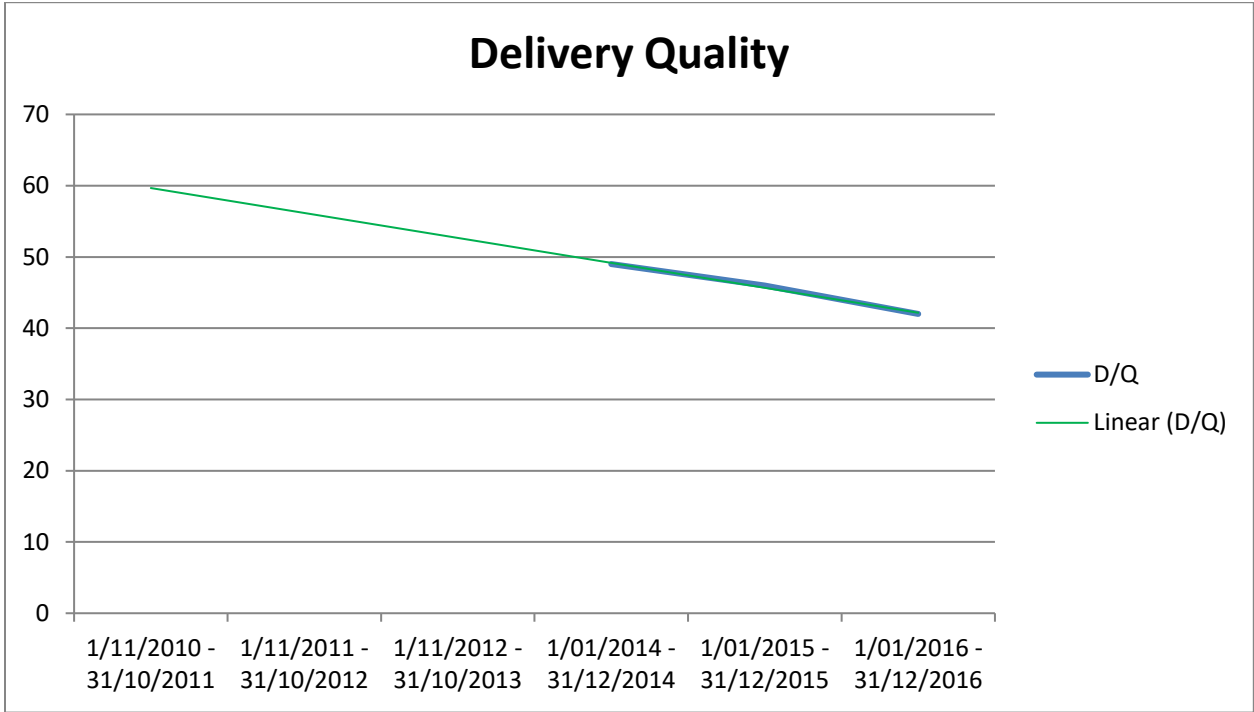
With an increase in the total number of complaints made and alleged failures, most categories are likely to show a corresponding decrease. In order to identify trends in the types of complaint it is necessary to examine the complaint category as a percentage of the total alleged failures. This exercise produces the following table:

Period	Br/ch	T & C	Del.T	Del.Q	OSM	RM	Inv.	V.P.	Sub R	C.S.	C.C.
1/11/10 - 31/10/11	76	3.95	69.74	N/A	13.16	3.95	1.32	0	N/A	7.89	N/A
1/11/11 - 31/10/12	170	4.71	43.53	N/A	18.24	5.88	2.94	18.24	N/A	4.71	N/A
1/11/12 - 31/10/13	181	6.63	41.99	N/A	21.55	2.76	2.76	14.36	N/A	8.29	N/A
1/01/14 - 31/12/14	262	1.15	30.53	18.70	16.79	6.49	8.40	3.44	0.76	13.36	0.38
1/01/15 - 31/12/15	180	0.56	29.44	25.56	15.00	3.33	10.00	1.67	0.00	14.44	0.00
1/01/16 - 31/12/16	264	0	34.09	15.91	11.74	6.06	5.30	0	0	21.97	0

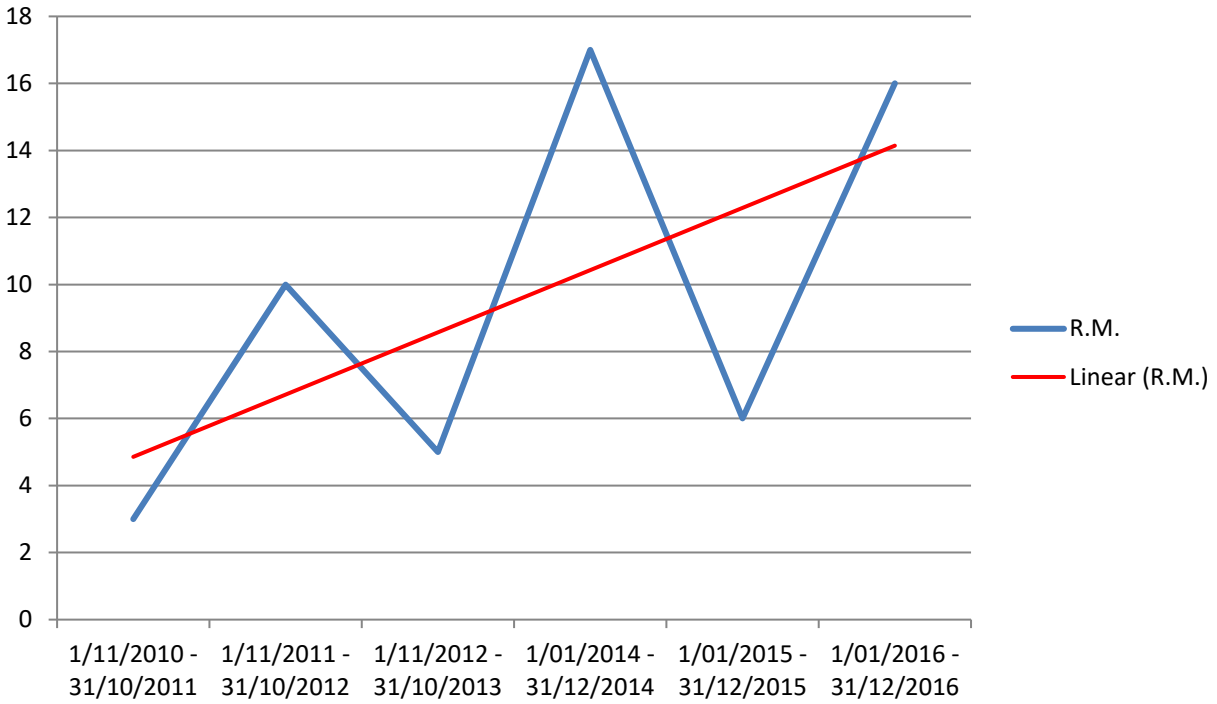
* Figures for breaches (Br/ch) represent actual number the remainder percentages.

It is now possible to identify movement in the individual complaint categories as follows:

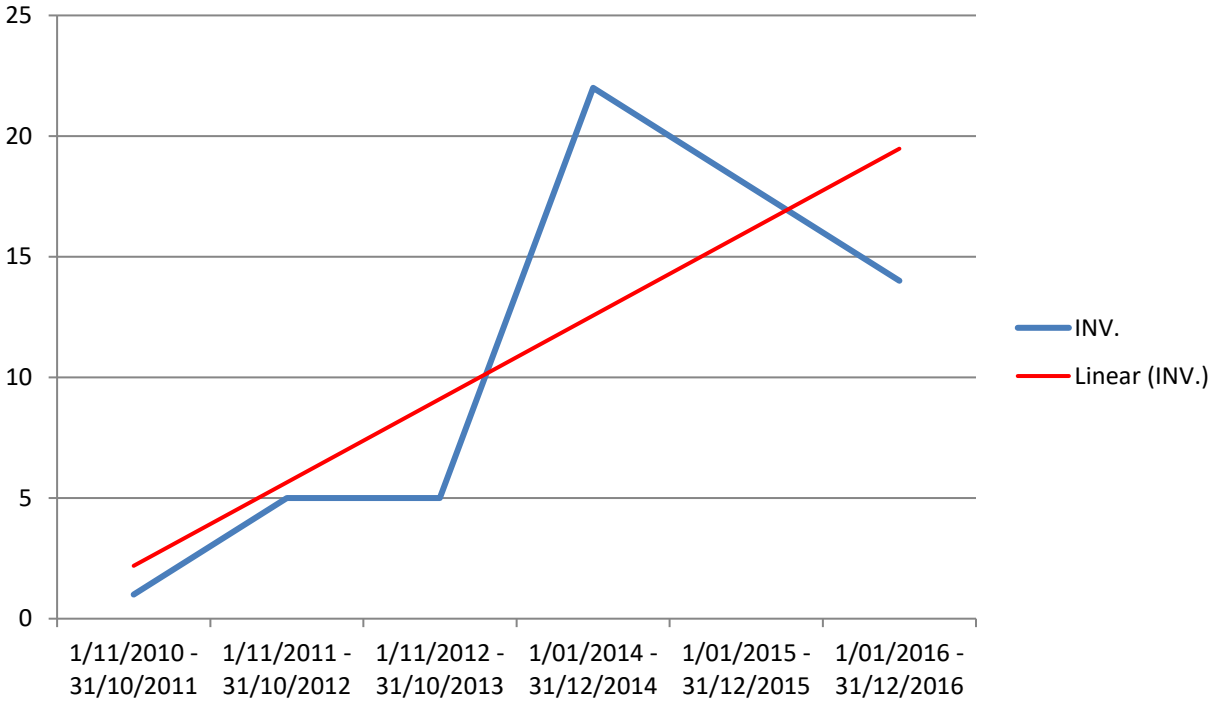


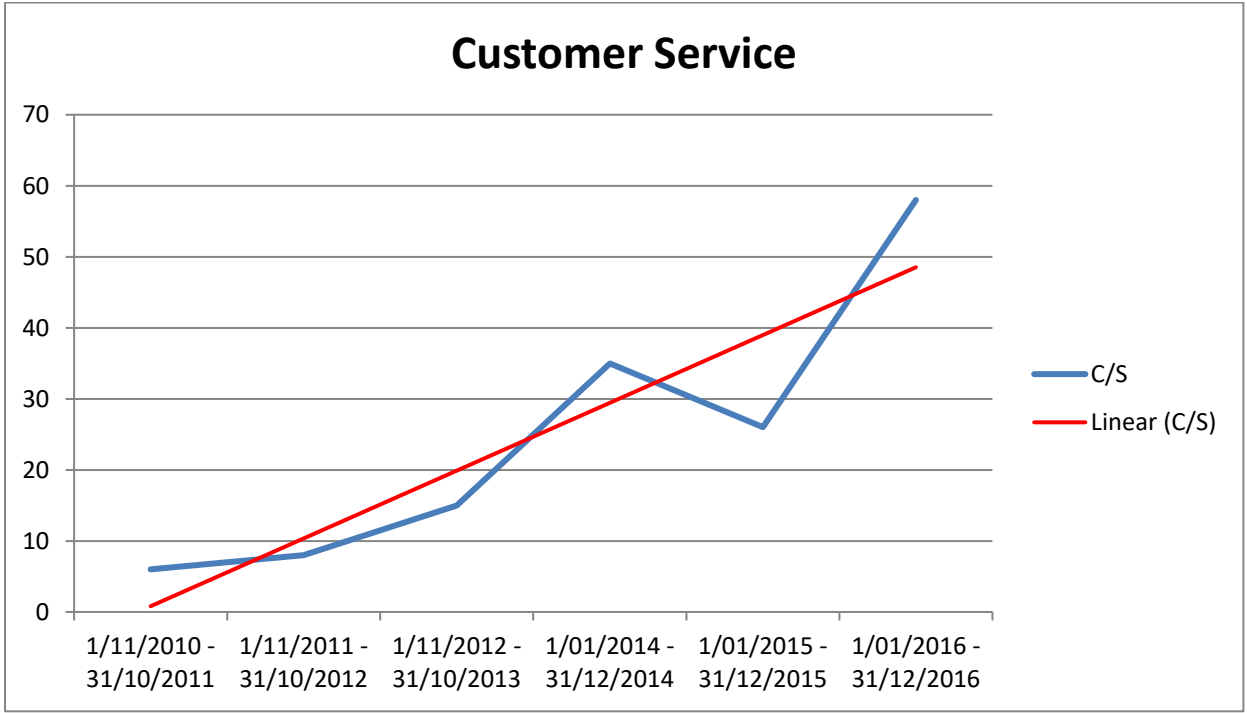
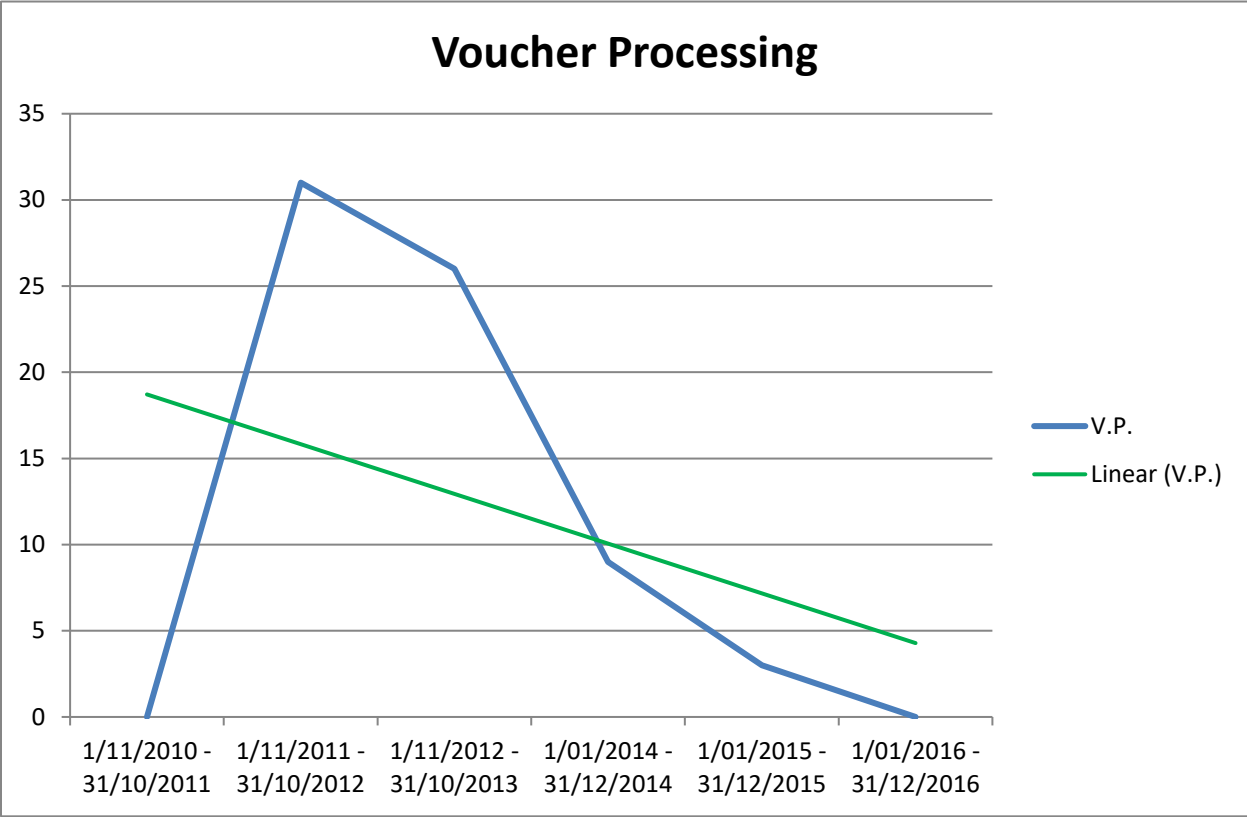


Returns Management



Invoicing





As the Charter categories of Sub Retailing and Carriage Charges only recorded one entry each in 2014, no charts have been included.

From the trend line graphs we can identify that Terms & Conditions and Delivery Quality are the only categories that have experienced a falling trend line. Delivery Timeliness, Order & Supply Management, Returns Management, Invoicing, Voucher Processing and Customer Service have experienced an increased.

After showing a fall in the number of complaints last year, Delivery Timeliness has once again become the top category for complaints. The PDRP has always been aware that this category dominates the complaints process and has addressed the matter at some length during its meetings.

The conclusion of the PDRP debates was that there are a number of factors that can impact the supply chain and cause delays. The panel was of the opinion that the underlying factors are:

- a) A considerable number of major overnight road works at present.
 - In relation to planned road works, the publishers introduce extra vehicles to mitigate lateness by altering the base plan on a daily basis. The newspaper planning teams are in dialogue with the relevant highway agencies and have formed good relationships to ensure every mitigation is put in place prior to distribution. Publishers are investing significant extra spend on a daily basis to alleviate lateness on known road works.
 - Unfortunately, unplanned road works are becoming more frequent and night publishers are experiencing road closures that are unexpected and more difficult to mitigate at short notice. The teams are working with the different bodies to minimise this but sometimes, due to extraneous circumstances, planned timings of roadwork overrun or become an emergency.
- b) Vehicle sharing by publishers has also shifted the delivery times in some depots and means larger volumes arriving at the same time.
- c) Consolidation of wholesale depots has meant larger geographies and more delivery routes are covered from single sites.
- d) Points (b) and (c) above obviously increase the risk of 'bunching' that impacts on the wholesaler's ability to unload product and break bulk in a timely manner.

The PDRP recognises that the industry is addressing these problems and expects timeliness of delivery to improve significantly following the next round of contract negotiations.

Customer Service complaints suffered a big increase in 2016 and reversed the downward trend of the previous year.

Customer Service is the act of taking care of the customer's needs by providing and delivering professional, helpful, high quality service before, during and after the customer's requirements are met. With this in mind, the year on year increase figure recorded is totally unacceptable.

It is disappointing that, in a communications industry, we seem to have an inability to deliver a high standard of communications to our trading partners. Obviously, customer service failures occur early in the morning when a high volume of calls are being received. Retailers are desperate to get their point over, as it affects their livelihood. On the other hand time is of the essence to the Call Centre operative trying to perform their job and they do not have the luxury of time.

Wholesalers should consider the ratio of retailers versus Call Centre operatives. Call Centres have been amalgamating over 2016 and the resultant decrease in staff will only see an increase in dissatisfied retailers, which are the industry's 'bread and butter'. However the retailer must perhaps bear some of the responsibility in this scenario. Persistent calls demanding an update must impact on the number of cases the Call Centre can handle.

Demanding that a Manager returns a call is fast becoming a non event as Managers are dying breed and those that remain are increasingly busy. It is clear that consideration must be given for wholesalers to provide an appropriate senior person who can actually deal with issues rather than make promises of returned calls that are not kept. Issues should be dealt with at the point of retail contact. The industry deserves to have a clear transparent communication mechanism with its customers.

The PDRP urges wholesalers and publishers to pay attention to customer service with a view to reinstating professionalism into the after care service that customers deserve.

The PDRP is alarmed to note that the timeliness of complaint handling process by wholesalers has shown a significant deterioration. In 2015 there were just 5 instances where complaints were completed outside of the 28 day time limit. This figure was 21 in 2016. Much of the blame for this falls on DTR London. It failed to meet the deadline on 12 occasions. Furthermore, its average time for completion hit 25.21 days. Such disregard for the complaints process is unacceptable and appropriate representations will be made. Both Menzies Distribution and Smiths News also slipped on average time for completion.

The PDRP reminds wholesalers that the Charter promises retailers a complaints process that is fast and reliable. We are in danger of falling down on this promise. We urge all parties in the process to make every effort to eradicate all Stage 2 complaints taking longer than 28 days to complete. No retailer should have to wait longer than 28 days to

get a definitive answer to a complaint and the PDRP would prefer complaints to be dealt with within 14 days.

Press Distribution Review Panel Activities

The PDRP Constitution sets out its objectives and the most important of these is to collect, audit and publish data on compliance. However, there is other work that the PDRP undertakes in support of its objectives during its four meetings a year.

Quality Assurance Questionnaire

At the end of 2015 the PDRP launched a short on-line survey to enable retailers to provide feedback regarding their experience of the Press Distribution Charter and its complaints process. The survey sought to find out:

- How easy or hard it was for the retailer to use the process.
- Did the parties involved respond in a timely and efficient manner?
- How satisfied the retailer was with the overall process.
- Any further comments or recommendation.

The PDRP hoped to be able to assess the effectiveness of the Charter and the complaints process with a view to determining any necessary amendments. Through this process operational standards and customer service could be improved.

Since the launch, although we have continued to receive and resolve complaints on retailer's behalf, it is disappointing that we have not yet had any questionnaires completed. The lack of response is very disappointing. Without feedback future development work on the Charter and its complaints process is made more difficult.

By providing feedback, retailers can help improve the complaints process.

The link to the questionnaire is:

<http://www.pressdistributionforum.com/complaint-questionnaire/index.html>

Press Distribution Charter

In the early part of the year the PDRP worked on a paper containing recommendations on standards for the next Press Distribution Charter review. The work concentrated on better aligning the Charter to the 'Menzie's Distributions Service Pledge'. The completed

work has now been forwarded to the Press Distribution Forum for onward presentation to the next formal Charter Review Committee.

The suggested amendments included:

- a) Adding Tote Boxes into the Delivery Quality standards.
- b) Greater clarity on the standards relating to a retailer managing his own supply.
- c) Wholesalers zeroing a standing order where a retailer has not sold a single magazine for three consecutive issues.
- d) Deferred payment on stickers and collectable items for a period of one week.
- e) Valid vouchers returned by Sunday being credited within 7 days.

When the next PDC Review Committee meets these suggestions will be discussed and decided upon.

Public Relations Sub Group

The PDRP Constitution charges it with encouraging compliance with the Press Distribution Charter. We are firmly of the opinion that one of the best ways of doing this is by encouraging retailers to make a formal complaint when PDC standards are not met. However, a lot of retailers are unaware of the Press Distribution Charter and its complaints process. With this in mind, the PDRP is in the process of considering various activities to bring the Charter to the attention of retailers. A Sub Group has been formed to co-ordinate the initiative and it is to be hoped that publicity and displays will soon be promoting the Charter in a pro-active way.

The PDRP is committed to improving retail awareness of the Press Distribution Charter and its complaints process.

RDTs and SDTs

The PDRP has discussed RDTs and SDTs at length and is of the opinion that their existence is essential to the Press Distribution Charter and its complaints process. During the course of the year under review the PDRP issued a release to the trade press which attempted to make retailers more aware of RDTs and STDs and encourage them to ascertain their own formal delivery times. As a result, articles did appear in the trade press and it is to be hoped that retailers took note of these.

The Press Distribution Charter sets out the minimum service standards that a retailer can expect from the supply chain and offer solutions when things go wrong.

Every retailer should receive on time delivery of newspapers and magazines for the day of sale. Indeed Standard 2.1 provides that "the wholesaler will deliver all titles and their appropriate sections, no later than the Retailer Delivery Time (RDT) or Scheduled Delivery Time (SDT), for the day of sale."

The RDT is the time agreed by the wholesaler and retailer as the latest time by which it is operationally feasible for the retailer to receive his newspaper delivery and an SDT is the time given to a retailer where an RDT could not be agreed. The SDT is the time by which the wholesaler is able to deliver to the retailer, based on current arrival times to the wholesale house.

The wholesaler will only ever be deemed to be late if it fails to deliver before the RDT or SDT, therefore it is essential for every retailer to be aware of their SDT or RDT.

The PDRP believes that a lot of retailers are not aware of their RDT or SDT.

Every retail outlet will have at some time have received its RDT or SDT in writing, but with changes in ownership and circumstances that vital piece of paper may have gone astray.

If a retailer is unaware of his RDT/SDT he should request the same from his wholesaler immediately.

The PDRP is pleased to note that News UK has started to print RDTs and SDTs on its paperwork and it is to be hoped that other wholesalers will follow suit.

PDC - Guidance Notes for Wholesalers

With such a complex and time sensitive supply chain operation it is inevitable that problems will occur from time to time. Most issues are resolved quickly at a local level and the Charter's minimum service standards undoubtedly help to achieve this. If the problems are more serious or are of a persistent nature, the Charter is supported by a formal complaints process that facilitates resolution.

In order for the efficiency of the newspaper and magazine industry to be monitored and thereby, hopefully, improved it is necessary to publish reports detailing performance, numbers, handling and outcomes of service complaints. With this in mind wholesalers and publishers should be made aware of their obligations under the Charter and its complaints process and given support enabling them to comply.

It is this support that has been considered by the PDRP and it has been decided to prepare and publish a 'PDC - Guidance Notes for Wholesalers'.

Through introducing such a document it is hoped that we can arrive at a more unified handling of Stage 2 complaints.

Most importantly it will remind those operatives responsible for handling PDC Stage 2 complaints that once a completed Stage 2 complaint form has been received from a retailer, it must be logged and referred to the appropriate person submitting monthly returns to the PDRP Administrator. It is this capture of data that enables the efficiency of the industry to be monitored.

Work has started on the 'PDC - Guidance Notes for Wholesalers'. The detail of the complaints process as handled within the wholesale houses and/or head offices is being collected and collated. The company specific elements are being extracted, leaving the bare essentials that make the complaints process run. The final stage will be to put the different contributions together in order to form a single operating process which will need to be followed for all PDC Stage 2 and 3 Complaints.

Once completed, the guidance notes will form an important learning tool for those operatives responsible for handling Stage 2 complaints at wholesale level. Furthermore, it is to be hoped that data capture at company level will become more efficient and accurate.

Press Distribution Review Panel Membership

Under the terms of the PDRP Constitution the period of appointment of a member of the PDRP is for two years. However, a member may be re-appointed for one further term of two years by a 2/3 majority vote of the panel. The two year tenure of office for the PDRP members was reached at the end of 2016.

All the panellists, with the exception of Steve Archer, volunteered their services for a second term of office and all were accepted by a unanimous vote. The PDRP and I would like to thank Steve for his time over the past two years and recognise the contribution he made during his time with us. We wish him all the best for his voluntary work in South Africa.

The PDRP is currently seeking a candidate with retail experience to fill Steve's position on the panel.

Issues

In order to preserve the transparency and integrity of the PDRP and its complaints process it is essential for it to publish timely and accurate statistics on the complaints process. The reports are dependent on wholesalers and publishers submitting monthly data on all completed Stage 2 complaint forms to the PDRP Administrator.

Wholesalers and publishers are allowed three weeks to submit their accurate quarterly statistics to the PDRP Administrator i.e. 21st of the succeeding month.

Statistics returns over 2016 have always been late and incomplete/inaccurate on each of the twelve months by varying degrees. After many reminders and prodding, the PDRP Administrator managed to obtain the final quarter's data in a relatively timely manner - just seven days late!

Quite frankly three weeks is ample time for this task and all contributors are asked to review their practices and resolve to comply with the process.

Finally, the quality of Stage 2 & 3 complaints is deteriorating. Retailers are merely sending in a written statement of their case. The written statements do not present a coherent and logical case. Furthermore, they are rarely supported by evidence.

Retailers must present their case properly; it is not for the Independent Arbitrator to work out the basis of the complaint. The 'PDC - Guide for Retailers' is forwarded to any retailer making a Stage 2 or 3 complaint and they are urged to follow the advice contained within it.

Neil Robinson
Chairman – Press Distribution Review Panel
14/02/2017