



Press Distribution Review Panel

Annual Report 1/11/10 – 31/10/11

Governance

In the early part of the year the Press Distribution Review Panel (PDRP) was established to:

- a. Encourage compliance with the Press Distribution Charter.
- 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.

The PDRP has an Independent Chairman, Neil Robinson, and two industry appointees from wholesale, one for newspaper publishing, one for magazine publishing and up to four retailers.

The industry appointees from wholesale, newspaper publishing, magazine publishing were put forward for selection by relevant trade associations and an Appointments Committee made the final judgment on their suitability.

The retail members were selected by the Appointments Committee following the posts being advertised in the Trade Press.

The PDRP members for the year under review were:

Neil Robinson	-	Chairman
Darren Barker	-	NPA

Richard Church	-	Independent Retailer
Jonathan Denton	-	Smiths News
Raj Ganatra	-	Independent Retailer
Carrie Rooks	-	PPA
Dave Shedden	-	Menzies Distribution
Mark Williams	-	Independent Retailer

Meetings were held on 24th February 2011, 19th May 2011, 8th July 2011 and 29th September 2011. The minutes of these meetings can be found on the Press Distribution Forum web site.

The Press Distribution Charter

The Press Distribution Charter (PDC) is a set of minimum service standards developed following dialogue between publishers, distributors, wholesalers and retailers, which makes clear the minimum service standards that retailers can expect from the industry supply chain. The Industry Charter relates exclusively to newspapers and magazines including one shots, specials, part-works and collectables.

The PDC and its complaints resolution process is designed to help retailers resolve most supply chain problems quickly and effectively. A copy of the PDC has been made available to every retail outlet and can be obtained from wholesalers or the Press Distribution Forum web site. www.pressdistributionforum.com .

Critical to the Charter itself and essential to the monitoring of compliance by the PDRP is the dispute resolution process, better known as the complaints process.

Under the old Industry Standard Service Agreement the complaints process had three stages. At Stage 1 the retailer was required to complete a Complaint Form which was forwarded via the ISSA Administrator to the wholesaler. The wholesaler then had 18 days to resolve the complaint. If the retailer was not satisfied with the outcome, the matter was referred to an independent Arbitrator at Stage 2 who would determine the matter within 14 days. Finally, at Stage 3 the complaint could be appealed to a panel of three independent Arbitrators.

The ISSA complaints process was considered by many retailers to be over burdensome and subject to unnecessary delay. Accordingly, the dispute resolution process for the PDC has been improved.

The complaint process has been restructured under a more 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 – informal discussion with wholesaler lasting no more than 48 hours.

Stage 2 – formal use of the companies Fast Track Resolution process which is centrally monitored by the PDRP.

Stage 3 – Referral to an independent qualified Arbitrator.

Operation

The first year of operation has been one of familiarisation. Every effort has been made to bring the PDC to the attention of retailers and get it used. The supply of a hard copy of the charter to every retailer has been supported by press releases and the distribution of a simple one page flyer describing the new complaints process.

This activity has promoted widespread recognition of the PDC and its standards. It has also ensured that a greater number of disputes between retailers and wholesalers get resolved at Stage 1 without the need to become embroiled in the formal process embedded in Stages 2 and 3.

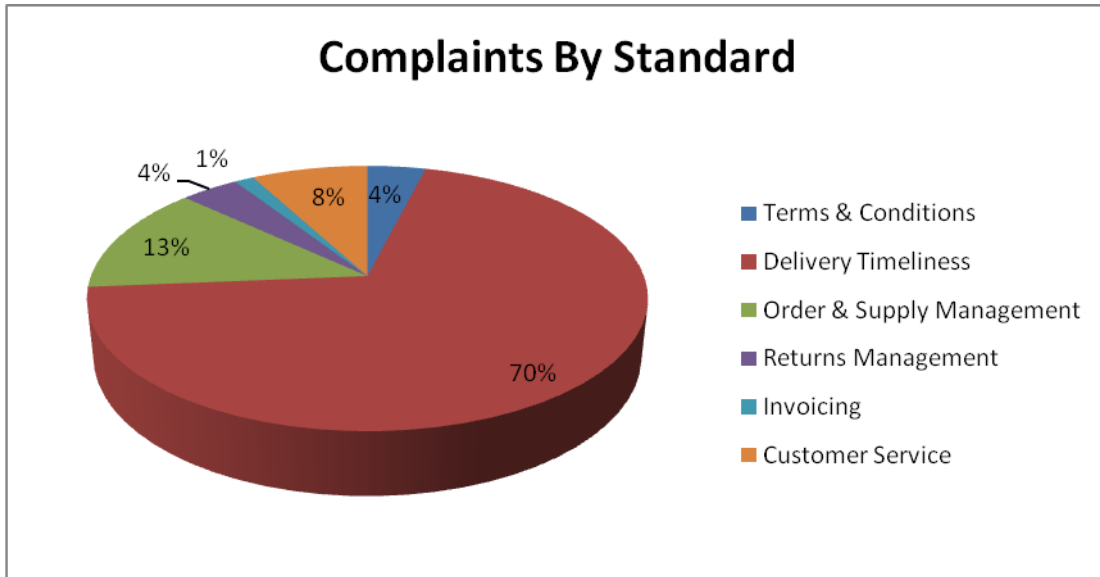
Statistics

During the twelve month period 1st November 2010 and 31st October 2011 a total of 64 PDC Stage 2 complaint forms were issued generating a total of 76 breaches of PDC standards. The complaints originated from 20 wholesale houses and 3 newspaper publishers.

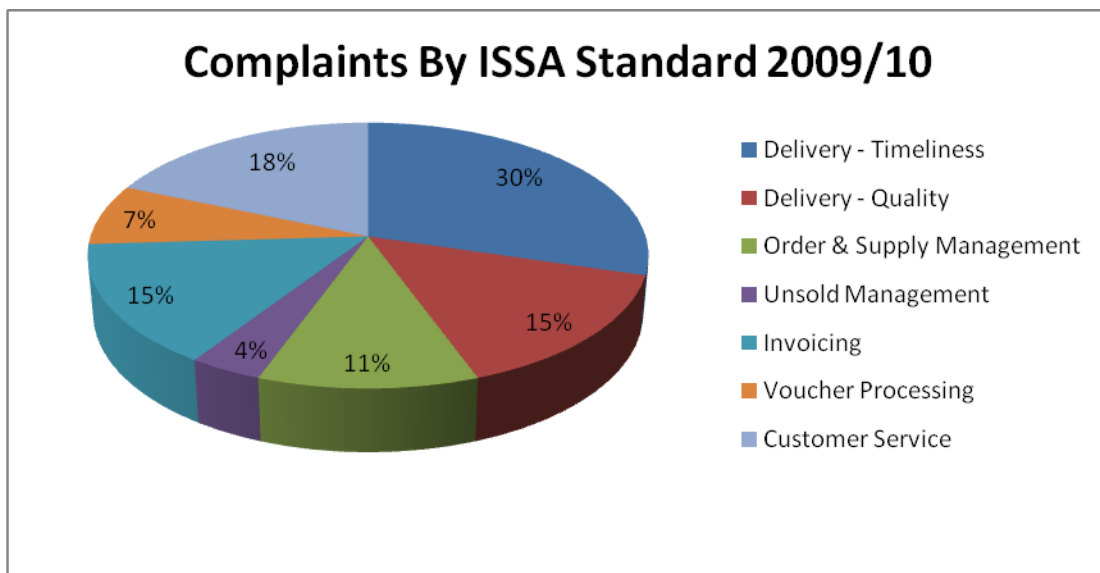
During this period no complaints were escalated to Stage 3, however the Chairman of the PDRP intervened informally twice in order to resolve a referral.

Complaints by Standard

Of the 76 breaches that were reported 3 related to Terms & Conditions, 53 Delivery - Timeliness, 10 Order and Supply Management, 3 Returns Management, 1 Invoicing and 6 Customer Service.



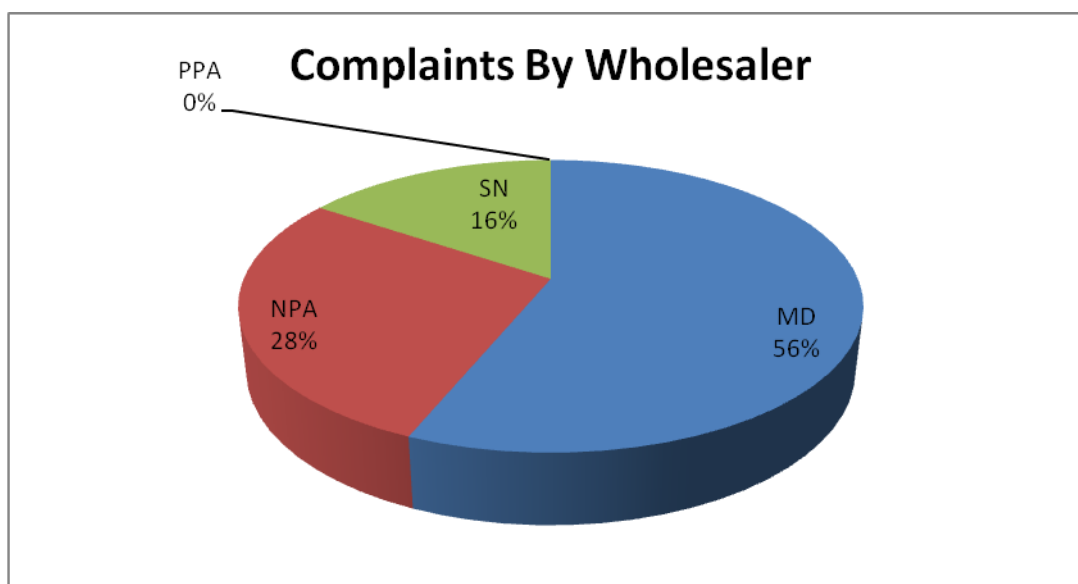
In the final year of the Industry Standard Service Agreement 27 breaches of standard were actioned at Stage 2 of which 0 related to Terms and Conditions, 8 Delivery – Timeliness, 4 Delivery Quality, 3 Delivery & Supply Management, 1 Un-solds Management, 4 Invoicing, 2 Voucher Processing and 5 Customer Service.



In 2009/10 a total of 7 complaints got escalated to Stage 3 of which 2 related to Delivery – Timeliness, 2 Delivery – Quality, 1 Invoicing and 2 Customer Service.

Complaints by Wholesaler

Menzies Distribution dealt with 35 Stage 2 complaints, the NPA 18 and Smiths News 11. There were no complaints regarding magazines made to the PPA.



Type of Complaint by Branch

Wholesaler/ Publisher	Wholesale Area	Terms & Cond.	Delivery Time	Order & Supply	Returns Manag.	Invoicing	Cust. Serv.
Menzies Distribution	Cambuslang		3		1		
	DNDS		13				
	Ipswich		1	2			1
	Linwood			1			
	Maidstone			2			
	Newbridge			1			
	Norwich				1		

	Sheffield		6	4			4
	Swansea		2			1	1
Smiths News	Brislington		2				
	Hornsey		1				
	Newport		1		1		
	Northampton		1				
	Plymouth		1				
	Southampton		1				
	Stockport		2				
	Taunton		1				
NPA	MGN		12				
	NI		2		1		
	Telegraph	3	3				
TOTALS		3	53	10	3	1	6

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.

Wholesaler/Publisher	Number of Complaints	Not completed in 28 days	Average Time for Completion
Menzies Distribution	35	5	10.66
NPA	18	2	17.56
Smiths News	11	2	19.27

Notwithstanding the fact that 14.06% of complaints failed to be completed within the 28 day time limit and one took 94 days, all Stage 2 Complaints were ultimately resolved satisfactorily. The Chairman of the PDRP has communicated with those parties concerned regarding timeliness of the process.

Issues

There is concern at the fact that Menzies Distribution has its own set of standards and a complaints resolution process contained in its 'Our Service Pledge' document. The presence of two distinct self regulatory processes must, inevitably, be confusing to retailers and presents difficulties in respect of the continuity of monitoring. There is also a danger that the two processes could operate in isolation of each other.

The PDRP understands that "Our Service Pledge" preceded the industry Charter and that a considerable amount of time and expense went into its development. With this in mind, a tolerance of the duality in the systems exists. However, it is to be hoped that, in time, 'Our Service Pledge' will become more harmonious with the industry self-regulatory process thereby promoting a greater level of interaction.

In the meantime the PDRP is working with Menzies Distribution to ensure that the two processes are capable of like monitoring and recording.

The PDRP has noted with concern that the Professional Publishers Association did not have a Stage 2 Complaint referred to it despite wide spread retail concern over Order and Supply Management and Part Works expressed both in the trade press and voiced at the PDF's 'Retail Forum'. With this in mind, the PDRP suspects that the PDC dispute resolution process may be failing in respect of magazine Order and Supply Management.

The PDRP is of the opinion that minor magazine order and supply problems are being dealt with without reference to the PDC complaints process and 'one off failures' are more often than not tolerated. It would seem that retailers don't tend to escalate a problem as they have pressures on their own time and, in most cases, they did not think their efforts would bring about a resolution of the problem. The result is that the issue is lost to capture for monitoring purposes.

The panel accepts that everyday minor supply issues will not and should not be captured, but feels that genuine persistent or serious problems should be being dealt with via the PDC complaints process.

Discussions are in progress with the PPA to see if the PDC complaints process can be improved as it relates to magazines in order to bring about a more open and transparent

system whereby retail grievances in respect of Order and Supply Management can be properly voiced within the parameters of the PDC.

The PDRP also recognise the need to build confidence in the PDC and its dispute resolution process in order to ensure that supply management problems moved from a company level to an industry level.

Throughout the course of the year there were issues concerning the timeliness and accuracy of Stage 2 Complaint data. Much of this was as a result of lack of familiarity with the new process and interpretation of the data control. These teething problems have been resolved and in future the PDRP will be publishing quarterly reports and statistics.

Future Objectives

The PDRP will strive to fulfil its purpose and encourage compliance with the Press Distribution Charter. It is pleased to note that the standards within the charter are about to undergo a thorough review under the Chairmanship of Michel Woodman. Michel brings a wealth of experience to this role having recently been leading the business engagement team for the Publishing Industries within the Department for Business and working closely with DCMS on all issues impacting the publishing sector.

Neil Robinson
Chairman – Press Distribution Review Panel
20th February 2012