

## director general

### and chief executive's statement



I am delighted to present Ordnance Survey's Annual Report and Accounts for 2004–05, a year in which we have had challenging performance targets.

It has been a year of progress and stability that has seen further growth in the use of Ordnance Survey data in many of our direct markets as well as our Partner channel. We returned a trading revenue of £100.4 million while continuing to control our business as usual expenditure.

These results are good news for the organisation and stakeholders alike, as the successful management of our finances enables ongoing investment in quality, service and efficiency improvements.

Reinvestment of the 2004–05 operating surplus of £9.2 million is crucial to our future success, with significant expenditure on key technical and business programmes planned throughout the coming year. These include vital projects such as the continued development of a seamless data collection, maintenance and management system as well as a major

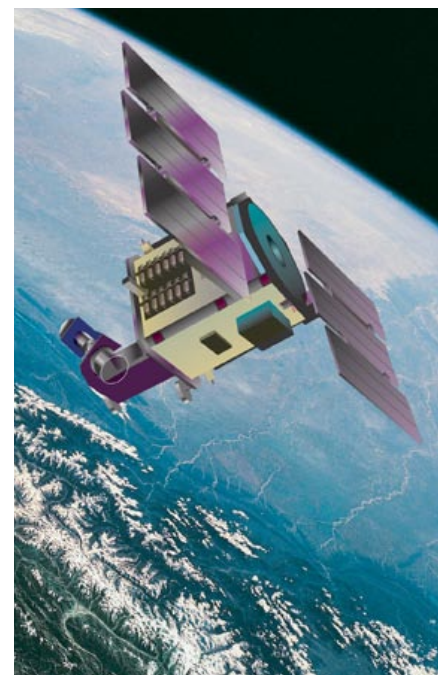
initiative to develop a new head office. On completion both will deliver cost savings and efficiency gains and provide a significant long-term return on investment.

As we end our sixth year as a Trading Fund I can report considerable benefits achieved as a direct result of Ordnance Survey's investment programme.

## creating

GPS is fundamental to our positioning strategy. The widespread use of more advanced real-time GPS receivers in our data collection activities has already achieved an impressive 40% increase in our field staffs' effectiveness. The ongoing implementation of a national GPS network to establish a new centimetre-level positioning infrastructure – and a web-enabled management information system for our surveying activities – is expected to increase this still further.

Overall, Data Collection and Management exceeded its ongoing efficiency target of 5.5% per annum and its rolling objective of ensuring that 99.6% of significant real-world features are represented in



Bill Oddie attended the launch of access rights across the south of England on 14<sup>th</sup> December 2004. Here he is using the revised OL22 OS Explorer Map at the Area 3 launch event on Parley Common, Dorset.



our central database within six months of their completion. We have continued to improve the quality of our data, launching new products such as OS Locator™, revising editions of paper maps and announcing product enhancements such as Land-Form PROFILE® Plus. We are also delighted to mark the bicentenary of the Battle of Trafalgar with a special edition map called *The Trafalgar Way*. This depicts the route taken by Lieutenant John Richards Lapenotiere, who was entrusted with delivering news of the naval victory and the death of Lord Admiral Nelson to the Admiralty.

## collaborating

As the 2004–05 financial year drew to an end, we were delighted to sponsor both The Ordnance Survey Outdoors Show and the first ever National Outdoor Week. The Outdoors Show provides an excellent opportunity for us to meet our customers and receive valuable face-to-face feedback on our products and services.

A special exhibition area, Ordnance Survey in Action, focused on map-related applications from partners, and we welcomed representatives from the Countryside Agency into our area to discuss the revised Countryside Code and roll-out of access land with visitors. This was another example of our collaborative efforts to ensure the timely completion of 56 OS Explorer Maps depicting the first areas of access land defined by the Countryside and Rights of Way Act 2000.

Data orders for OS MasterMap® have reached 10 000, enabled by a series of enhancements to system and server capacity, order processing and data supply. Our Customer Migration Programme helps customers and partners migrate to OS MasterMap from large-scale products such as Land-Line®. The year 2004–05 saw 99 migrations

occur in major public sector and utilities customers, enabling them to benefit from this new generation of intelligent digital data. A Framework Partner Licence was also introduced, together with Specific Use contracts, enabling business partners to license data they need to incorporate into their own products and services. A growing number of Licensed Partners and software suppliers work with customers as part of the migration programme by offering tools to help our digital data products to be used effectively in business applications.

OS MasterMap's half a billion topographic and other features are each represented by a 16-digit unique identifier called a TOID®, which enables intelligence within the data to be shared and analysed. Ordnance Survey promotes the widest possible sharing of TOIDs in data association, information exchange and analysis applications, permitting their royalty-free use to promote joined-up government, the reuse of information and the minimising of duplication.

During the year we have continued to strengthen our relationships with retail partners. Taking part in WH Smith's and Waterstone's® summer reading campaigns, national advertising initiatives and the provision of customised map fixtures in Waterstone's and Ottakar's® stores all helped to improve sales to mutual advantage.

## championing

Enhancements to our online services for both business and leisure customers continued apace. For example, we have installed new hardware to enable the transfer of data files over the Internet as part of our improvements to the OS MasterMap online delivery service. Up to 70% of orders are now being processed in less than a day, with many smaller ones being turned around in under an hour. Over the coming year we intend to start launching more

on-demand web services for customers and partners. Technical information will become available as we move forward, including through the OS Insight™ programme, which offers partners and customers the opportunity to contribute to the development of our products.

We previewed a prototype of our new consumer website at The Ordnance Survey Outdoors Show. The site offers information and features to help people enjoy the outdoors, and gives them the opportunity to purchase maps and related products from Ordnance Survey and our partners. The full site will launch later in 2005.

Technology is not only transforming the way we collect and deliver our products and services but also the way



in which they are used to benefit citizens. Innovative, award-winning applications, such as Network Rail's MARLIN GIS and the government's online Planning Portal ([www.planningportal.gov.uk](http://www.planningportal.gov.uk)), are just two examples that demonstrate the practical value of geographic information (GI).

MARLIN GIS has revolutionised the way Network Rail collects and uses information on its extensive asset base. Using GIS technology, it currently gives over 5 000 employees instant desktop access to a range of Ordnance Survey digital data for the entire railway network and provides details of the ownership and status of the company's 160 000-acre estate. The Planning Portal provides a web-based planning service for public, professional and government users. It enables the completion of online

planning applications and the submission and tracking of appeals, and offers information about the planning system, its developments and policy.

## delivering

With GIS now integral to the day-to-day activities of business and government alike, our data is providing a foundation for a wide range of services. In south Wales, for example, fire crews are referencing operational data against OS MasterMap on in-cab systems with the aim of improving emergency response times.

OS MasterMap also underpins Yorkshire Water's project work and has helped to identify sewers at risk of becoming blocked or damaged. This enables the company to prioritise its CCTV investigations and maintenance schedules as well as improving customer satisfaction by minimising disruptions to its service.

Forth Valley GIS uses our data to support the implementation of modernising and e-government initiatives in Scotland. It provides a range of services to local authorities to integrate GIS with core business systems and processes.

Our data is also being used in many different websites across Great Britain, offering services as diverse as local environmental information, details of broadband availability and the location of schools and colleges.

At the end of March 2005 there were 210 signatories to the Pan-government agreement, which provides central government bodies with access to a wide range of our digital products.

A separate agreement with the Department for Transport supplies digital map data – including the Integrated Transport Network™ (ITN) Layer of OS MasterMap – for the Transport Direct™ web service.

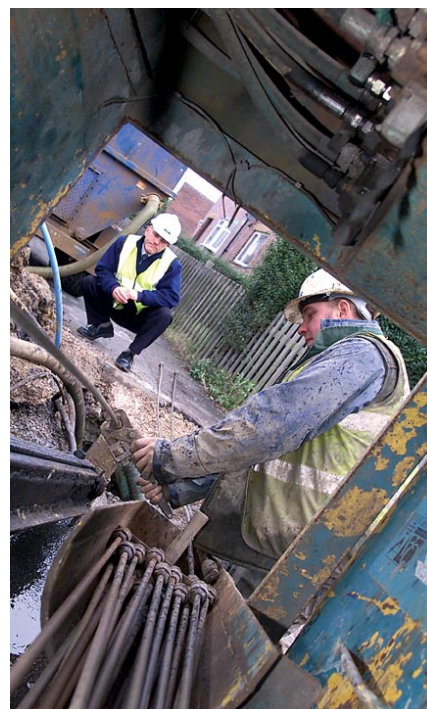


Image: Courtesy of Yorkshire Water

## benefiting

We constantly strive to deliver operational efficiencies, including the effective management of our estate. Our existing premises, built in the 1960s, are expensive to maintain and unsuited to modern technological needs. As a result, we are investigating options for major investment in new or improved head office facilities, either on our existing site or hopefully within five miles of its current location. We are also considering relocating our extensive printing and warehouse facilities from our head office to a more cost-effective site, as yet undecided, in the local area.

Our investment programme goes beyond our infrastructure and data, however, as we remain very committed to investing in our staff. A series of one-day programmes to help employees identify and achieve career and personal goals has been very well received, as have our masterclass workshops, which focus on a wide range of topics. These are the latest in a rolling programme of staff training and development initiatives to ensure we have the right skills and



expertise to meet the changing needs of partners and customers. We are also continuing our successful Future Leaders programme aimed at developing staff with senior management potential.

In summer 2004 the Office of the Deputy Prime Minister published our Framework Document for the next three years, which explains Ordnance Survey's role and responsibilities, endorsing our business model and financial arrangements to reflect our continued Trading Fund status. In his foreword, John Prescott comments: 'On my recommendation, Parliament decided that Ordnance Survey should operate as a Trading Fund from 1999, and its excellent performance since then has shown that working commercially with partners is still the most appropriate way for the agency to operate'.

A GI Panel was also established this year. Its first priority is to develop a GI strategy for the United Kingdom. The Panel's terms of reference include giving high-level advice to ministers on key medium- to long-term GI issues of national importance and promoting more effective use and management of GI. We welcome this development and, as a member of the Panel, believe it will enable

wider recognition and understanding of the benefits of GI data.

During the year both Ordnance Survey and initiatives underpinned by its data were acknowledged in a number of awards. We were named Oracle's Beta Tester of the Year following our completion of a spatial testing programme for Oracle® 10g and the Ordnance Survey Outdoors Show was awarded 'Best Expo Feature Area' for the World Boulderling Competition and runner-up for 'Best Consumer Exhibition' at Haymarket's *Event* magazine awards. Free maps for 11-year-olds was also short-listed for the British Education Suppliers Association (BESA) award. Transport Direct, a service which employs a range of our data products, won *Computing* magazine's Public Sector Project of the Year.

Looking ahead to 2005–06, we will build upon the work of the past year and continue our investment in consistent, accurate data to meet the needs of our customers, either directly or through our partners.

I hope you enjoy reading this year's Annual Report, which is structured around five corporate messages:

creating, collaborating, championing, delivering and benefiting. These were developed to explain our vision for the future while also acknowledging our heritage as a paper map producer.

The report reflects the commitment and support of our staff, customers, partners and wider GI community, and I should like to join my fellow directors in thanking everyone who has contributed to the achievements of 2004–05.

We welcome your feedback, so please contact us with your comments and suggestions. Contact details can be found on the inside back cover of this report. More information about our products and services can also be found on our website – [www.ordnancesurvey.co.uk](http://www.ordnancesurvey.co.uk)

**Vanessa V Lawrence**  
Director General and Chief Executive