

**Licence Condition 4.6 (a) and (b)**

**Licence Condition 4.9 (a)**

**Licence Condition 5.6 (a) and (b)**

## **National Report To Postcomm and Postwatch**

**2006/07 Quarter 4 Report**



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**NATIONAL QUARTER 4 REPORT  
2006 / 2007**

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## **OVERVIEW OF QUALITY OF SERVICE PERFORMANCE FULL YEAR 2006/07**

This report is produced in accordance with Conditions 4.9(a), 4.9(d), 4.6(a) (b) and 5.6(a) (b) of Royal Mail's amended Licence dated 25 May 2006.

The Annex to Condition 4 of the Licence details twelve Scheduled Services or Standardised Measures. Two of the Scheduled Services (Bulk First Class and Bulk Second Class) place individual products which had in previous years been subject to individual targets into one basket with one overall target. In addition there are, from 2006/07, four new Standards within the overall twelve which did not feature previously - European International Delivery, % Of Collection Points Served Each Day, % Of Delivery Routes Completed Each Day, and % Of Items Delivered Correctly. The geographical Standard relating to Postcode Area performance has changed in 2006/07 From Posted In The PCA For Delivery In The UK (the geographical Licence Standard from 2001/02 to 2005/06) to Posted In The UK For Delivery In The PCA.

Each of the twelve Scheduled Services and Standardised Measures (apart from Special Delivery) has four performance bands set out at the Annex to Condition 4, with the consequences of performance in each of the bands explained in the Licence. This commentary compares actual performance in 2006/07 with the Performance Band 1 standard.

The Full-Year reporting period for the End-to-End measures for all products except Special Delivery was 20/03/06 - 18/03/07.

The Full-Year reporting period for Special Delivery was 27/03/06-18/03/07.

The Full-Year reporting period for European International Delivery was 01/04/06 - 31/03/07.

The Full-Year reporting period for the Collection and Delivery Measures was 27/03/06 - 18/03/07.

In accordance with the Annex to Condition 4 and Condition 4.7(a) the performance during the Christmas period - which is defined by the Licence this year as 4 December - 1 January - is excluded from the full-year reported results. The actual performance for the Christmas period was reported separately as part of the Quarter 1-3 Report to Postcomm and Postwatch.

Overall 2006/7 was the best annual performance on record.

For the full-year, 11 of the 12 Condition 4 Scheduled Services and Standardised Measures were at or above the full-year Licence requirement. Most products (where historical information exists) performed at best-on-record levels for the year. First Class Stamped and Meter at 94.0 was only 0.1 lower than the previous year's best-on-record result.

	Full-Year Actual cw Full-Year Target	Best-On-Record Annual Result *
Retail First Class	+1.0	
Retail Second Class	+0.4	v ✓
Bulk First Class	+2.2	Mailsort 1 v ✓ Presstream 1 v ✓ 1C PPI v ✓
Bulk Second Class	+0.8	Mailsort 2 v ✓ 2C PPI v ✓
Bulk Third Class	+2.0	v ✓
Standard Parcels	+4.5	v ✓
European International Delivery	+8.2	No comparisons available
Special Delivery	On Target	
Postcode Area % Delivered	-2/118 PCAs	No comparisons available
% Of Collection Points Served Each Day	+0.02	No comparisons available
% Of Delivery Routes Completed Each Day	+0.05	No comparisons available
% Of Items Correctly Delivered	+0.16	No comparisons available

\* NB. Comparable results are available to 1995/96 for all UK products except Standard Parcels; comparable results are available to 2002/03 for Standard Parcels.

The only Standard below the Licence full-year target level is the Postcode Area measure of 1st Class Stamped and Meter Delivered From The UK. Two PCAs out of the 118 included in the Licence Standard were marginally below the Full-Year requirement, viz

EX (Exeter) 91.2 cw 91.5 target (-0.3)

TQ (Torquay) 91.4 cw 91.5 target (-0.1)

(NB. The shortfall is not sufficient to trigger the C-factor adjustment). The shortfall is directly the result of the impact of one week of industrial action between 29 August and 4 September 2006 which had a material affect on the cumulative result. The underlying performance of both Postcode Areas, excluding the impact of the industrial action, was above the Licence requirement. A more detailed explanation follows.

The following Report details the results for Full-Year 2006/07 and Quarter 4 2006/07.

In accordance with the requirement from Postcomm, a written commentary is additionally provided for any Scheduled Service or Standardised Measure, or for any individual product in the Bulk First Class or Bulk Second Class Grouping, which falls into Band 3 or Band 4 of the performance bands as detailed in the Annex to Licence Condition 4. For Full-Year 2006/07 this applies in 2 cases only:

- Response Services 1st Class (part of Bulk First Class) - Performance Band III
- Response Services 2nd Class (part of Bulk Second Class) - Performance Band III

Although Royal Mail has never accepted that the Grouping target level is appropriate for either of the Response Services products, Postcomm have insisted that Royal Mail report Response Services performance against the Grouping target level.

**Table 1.**

**Scheduled Services & Standardised Measures  
Actual Quarter 4 Results 2006 - 2007**

Standard	Scheduled Services & Standardised Measures				
	Standards	Quarter 4	Quarter 4	Cumulative	Cumulative
	%	%	95% cl	Q1 - Q4 %	Q1 - Q4 95% cl
Grouping 1 (Retail First Class)	93.0	93.7	+/- 0.2	94.0	+/- 0.1
Grouping 2 (Retail Second Class)	98.5	98.8	+/- 0.2	98.9	+/- 0.1
Grouping 3 (Bulk First Class)	91.0	92.7	+/- 0.4	93.2	+/- 0.2
1 <sup>st</sup> Class Postage Paid Impression	-	92.5	+/- 0.3	93.0	+/- 0.1
1 <sup>st</sup> Class Response Services	-	88.4	+/- 2.2	89.1	+/- 0.9
Mailsort 1	-	94.9	+/- 2.2	95.2	+/- 1.1
Presstream 1	-	93.5	+/- 1.0	94.3	+/- 0.4
Grouping 4 (Bulk Second Class)	97.5	98.3	+/- 0.5	98.3	+/- 0.2
2 <sup>nd</sup> Class Postage Paid Impression	-	98.0	+/- 0.4	97.9	+/- 0.2
2 <sup>nd</sup> Class Response Services	-	94.4	+/- 1.5	94.9	+/- 0.7
Mailsort 2	-	98.6	+/- 0.8	98.7	+/- 0.4
Presstream 2	-	98.6	+/- 1.2	98.3	+/- 0.7
Grouping 5 (Bulk Third Class)	97.5	99.7	+/- 0.5	99.5	+/- 0.3
Standard Retail Parcels	90.0	94.4	+/- 0.9	94.5	+/- 0.4
European International Delivery	85.0	94.0	+/- 0.9	93.2	+/- 0.7
Special Delivery #	99.0	99.0	##	99.0	##
Postcode Area Target % (Delivered)	91.5 (in 118/118)	110 of 118		116 of 118	
Percentage Of Collection Points Served Each Day	99.90	99.82		99.92	
Percentage Of Delivery Routes Completed Each Day	99.90	99.87		99.95	
Percentage Of Items Delivered Correctly	99.50	99.69	+/- 0.09	99.66	+/- 0.04

- Standard is full-year cumulative.
- ## Product subject to continuous sampling (confidence limit inapplicable).
- 95% cl = 95% confidence limit.
- # The result for Special Delivery is for all Special Delivery (Next Day) items. The Licence target is for Special Delivery (Next Day) other than when sold to users having an account with the licensee buying the service using their account. The Royal Mail measurement system is unable to separate the performance for account and non-account customers in this way.

**Table 2.**

**Postcode Area (PCA) First Class Stamped and Metered Delivered In PCA  
2006 - 2007**

Postcode Area	Q1	C/L	Q2	C/L	Q3	C/L	Q4	C/L	Cumulative Q1 - Q4	C/L	✓ <input type="checkbox"/>
AB Aberdeen	94.6	+/- 2.2	96.8	+/- 1.7	94.9	+/- 2.2	92.9	+/- 2.5	94.9	+/- 1.0	✓
AL St Albans	93.7	+/- 2.2	95.9	+/- 1.5	96.1	+/- 1.8	96.3	+/- 1.6	95.6	+/- 0.9	✓
B Birmingham	94.7	+/- 1.6	94.8	+/- 1.4	93.9	+/- 1.5	90.8	+/- 2.2	93.7	+/- 0.8	✓
BA Bath	94.9	+/- 2.0	94.6	+/- 2.0	94.5	+/- 2.2	94.6	+/- 2.3	94.6	+/- 1.1	✓
BB Blackburn & Burnley	91.1	+/- 2.8	93.0	+/- 2.6	94.2	+/- 2.4	94.1	+/- 2.6	93.1	+/- 1.3	✓
BD Bradford	95.4	+/- 2.2	95.7	+/- 1.7	96.5	+/- 1.6	95.0	+/- 2.1	95.7	+/- 0.9	✓
BH Bournemouth	94.2	+/- 2.1	94.6	+/- 2.1	93.0	+/- 2.3	92.3	+/- 2.6	93.5	+/- 1.2	✓
BL Bolton	92.4	+/- 2.4	93.7	+/- 2.0	93.2	+/- 2.0	91.3	+/- 2.3	92.7	+/- 1.1	✓
BN Brighton	94.2	+/- 2.2	94.9	+/- 2.1	94.1	+/- 2.2	92.1	+/- 3.0	93.9	+/- 1.2	✓
BR Bromley	95.4	+/- 2.0	96.3	+/- 1.5	95.6	+/- 1.7	94.7	+/- 1.9	95.5	+/- 0.9	✓
BS Bristol	94.9	+/- 1.9	95.2	+/- 1.8	93.2	+/- 2.0	93.5	+/- 2.2	94.2	+/- 1.0	✓
BT Northern Ireland	93.0	+/- 2.5	93.6	+/- 2.2	93.3	+/- 2.3	91.7	+/- 2.8	92.9	+/- 1.2	✓
CA Carlisle	93.0	+/- 2.2	95.3	+/- 1.9	93.1	+/- 2.2	92.3	+/- 2.4	93.6	+/- 1.1	✓
CB Cambridge	94.3	+/- 2.5	95.8	+/- 1.9	92.2	+/- 2.5	92.9	+/- 2.6	93.8	+/- 1.1	✓
CF Cardiff	93.5	+/- 2.3	95.3	+/- 2.2	93.1	+/- 2.2	93.1	+/- 2.4	93.8	+/- 1.1	✓
CH Chester & Deeside	93.5	+/- 2.3	95.5	+/- 1.8	92.8	+/- 2.3	93.3	+/- 2.2	93.8	+/- 1.1	✓
CM Chelmsford	95.0	+/- 1.9	95.2	+/- 1.8	92.5	+/- 2.2	93.4	+/- 2.1	94.0	+/- 1.0	✓
CO Colchester	95.3	+/- 2.1	95.8	+/- 1.8	93.0	+/- 2.3	94.1	+/- 2.2	94.5	+/- 1.0	✓
CR Croydon	95.8	+/- 1.9	95.3	+/- 1.8	95.0	+/- 1.8	94.0	+/- 2.0	95.0	+/- 0.9	✓
CT Canterbury	93.8	+/- 2.2	94.8	+/- 2.0	96.0	+/- 1.8	96.9	+/- 1.7	95.4	+/- 1.0	✓
CV Coventry & Warwickshire	94.2	+/- 2.5	96.2	+/- 1.7	91.8	+/- 2.6	91.9	+/- 2.7	93.6	+/- 1.2	✓
CW Crewe	94.4	+/- 2.2	95.1	+/- 2.1	96.0	+/- 1.6	95.1	+/- 1.9	95.2	+/- 0.9	✓
DA Dartford	94.3	+/- 1.9	96.1	+/- 1.8	94.0	+/- 2.0	95.1	+/- 2.1	94.9	+/- 1.0	✓
DD Dundee	93.9	+/- 1.8	93.5	+/- 2.1	90.4	+/- 2.8	90.3	+/- 2.6	92.0	+/- 1.1	✓
DE Derby	95.5	+/- 2.1	96.6	+/- 1.6	96.9	+/- 1.7	95.3	+/- 1.9	96.1	+/- 0.9	✓
DG Dumfries	94.7	+/- 2.2	97.0	+/- 1.6	95.4	+/- 1.8	95.2	+/- 1.8	95.6	+/- 0.9	✓
DH Durham	94.5	+/- 1.9	95.1	+/- 1.9	94.1	+/- 1.9	93.9	+/- 2.1	94.4	+/- 1.0	✓

= Areas below full-year target

✓ = Areas meeting or exceeding full-year target

⊕ = Exempted from postcode area targets

**Table 2. (Continued)**

**Postcode Area (PCA) First Class Stamped and Metered Delivered In PCA  
2006 - 2007**

Postcode Area	Q1	C/L	Q2	C/L	Q3	C/L	Q4	C/L	Cumulative Q1 - Q4	C/L	✓☒
DL Darlington	95.3	+/- 2.0	93.3	+/- 2.0	93.7	+/- 2.1	94.4	+/- 2.2	94.1	+/- 1.1	✓
DN Doncaster	94.8	+/- 2.1	94.1	+/- 2.1	94.4	+/- 2.0	93.8	+/- 2.2	94.3	+/- 1.0	✓
DT Dorchester	94.2	+/- 2.2	94.8	+/- 1.9	92.0	+/- 2.4	92.8	+/- 2.3	93.4	+/- 1.1	✓
DY Dudley	94.7	+/- 2.1	94.9	+/- 1.8	94.2	+/- 1.9	94.0	+/- 2.0	94.5	+/- 1.0	✓
E London East	92.4	+/- 2.5	94.7	+/- 1.7	92.6	+/- 2.3	93.9	+/- 2.5	93.5	+/- 1.1	✓
EC City of London	95.6	+/- 2.0	95.0	+/- 1.9	95.2	+/- 1.9	94.8	+/- 1.9	95.1	+/- 1.0	✓
EH Edinburgh	93.2	+/- 1.7	94.4	+/- 1.8	93.2	+/- 2.5	94.7	+/- 2.1	93.8	+/- 1.0	✓
EN Enfield	95.2	+/- 2.0	95.2	+/- 1.9	93.7	+/- 2.1	91.7	+/- 2.3	93.9	+/- 1.0	✓
EX Exeter	93.2	+/- 2.5	93.0	+/- 2.3	85.1	+/- 3.0	94.6	+/- 2.0	91.2	+/- 1.3	☒
FK Falkirk	93.1	+/- 1.9	92.9	+/- 2.0	92.7	+/- 2.3	92.8	+/- 2.3	92.9	+/- 1.0	✓
FY Fylde	93.7	+/- 2.4	94.1	+/- 2.1	95.5	+/- 1.9	91.6	+/- 2.8	93.9	+/- 1.1	✓
G Glasgow	94.3	+/- 1.4	94.5	+/- 1.5	91.8	+/- 2.2	94.6	+/- 2.0	93.7	+/- 0.9	✓
GL Gloucester	94.0	+/- 2.1	93.7	+/- 2.1	92.4	+/- 2.4	94.6	+/- 2.1	93.7	+/- 1.1	✓
GU Guildford	95.7	+/- 1.8	93.3	+/- 2.0	93.5	+/- 2.1	93.3	+/- 2.5	93.9	+/- 1.1	✓
HA Harrow	94.6	+/- 2.1	94.4	+/- 1.8	96.3	+/- 1.6	95.2	+/- 2.0	95.2	+/- 1.0	✓
HD Huddersfield	95.3	+/- 2.0	95.9	+/- 1.6	96.6	+/- 1.5	95.0	+/- 1.8	95.7	+/- 0.9	✓
HG Harrogate	90.3	+/- 2.7	94.8	+/- 1.9	93.3	+/- 2.1	95.1	+/- 1.9	93.4	+/- 1.1	✓
HP Hemel Hempstead	96.3	+/- 1.9	95.6	+/- 1.8	92.9	+/- 2.2	94.3	+/- 2.2	94.7	+/- 1.0	✓
HR Hereford	94.4	+/- 2.1	95.3	+/- 1.7	94.9	+/- 2.0	92.6	+/- 2.5	94.3	+/- 1.1	✓
HS Hebrides	82.5	+/- 3.8	85.4	+/- 3.0	84.8	+/- 3.2	81.4	+/- 4.0	83.9	+/- 1.7	⊕
HU Hull	96.3	+/- 1.6	95.9	+/- 1.7	93.6	+/- 2.1	94.3	+/- 2.2	95.1	+/- 1.0	✓
HX Halifax	93.7	+/- 2.4	96.0	+/- 1.6	94.9	+/- 1.9	94.8	+/- 1.9	94.9	+/- 1.0	✓
IG Ilford	93.4	+/- 2.1	95.8	+/- 1.8	95.5	+/- 1.9	96.4	+/- 1.7	95.3	+/- 1.0	✓
IP Ipswich	95.9	+/- 1.9	95.7	+/- 1.8	95.2	+/- 2.0	95.9	+/- 1.8	95.7	+/- 0.9	✓
IV Inverness	93.0	+/- 2.0	92.9	+/- 2.1	93.5	+/- 2.3	92.5	+/- 2.3	93.0	+/- 1.1	✓
KA Kilmarnock	95.2	+/- 1.6	94.8	+/- 1.6	92.8	+/- 2.5	95.0	+/- 2.0	94.4	+/- 0.9	✓
KT Kingston upon Thames	96.1	+/- 2.0	97.1	+/- 1.5	94.7	+/- 2.1	94.1	+/- 2.2	95.6	+/- 0.9	✓

☒ = Areas below full-year target

✓ = Areas meeting or exceeding full-year target

⊕ = Exempted from postcode area targets

**Table 2. (Continued)**

**Postcode Area (PCA) First Class Stamped and Metered Delivered In PCA  
2006 - 2007**

Postcode Area	Q1	C/L	Q2	C/L	Q3	C/L	Q4	C/L	Cumulative Q1 - Q4	C/L	✓ <input type="checkbox"/>
KW Kirkwall	85.0	+/- 3.6	88.2	+/- 3.1	85.6	+/- 3.2	86.1	+/- 3.1	86.3	+/- 1.6	⊕
KY Kirkcaldy	94.4	+/- 1.7	94.4	+/- 1.9	93.9	+/- 2.2	93.5	+/- 2.3	94.1	+/- 1.0	✓
L Liverpool	95.4	+/- 2.2	95.2	+/- 2.2	91.2	+/- 2.5	91.9	+/- 2.3	93.4	+/- 1.1	✓
LA Lancaster	94.5	+/- 2.1	95.6	+/- 1.8	93.3	+/- 2.1	92.9	+/- 2.2	94.1	+/- 1.0	✓
LD Llandrindod Wells	92.9	+/- 2.6	92.9	+/- 2.3	93.6	+/- 2.1	91.4	+/- 2.6	92.8	+/- 1.2	✓
LE Leicester	95.0	+/- 1.9	94.7	+/- 1.9	92.8	+/- 2.1	91.5	+/- 2.4	93.4	+/- 1.1	✓
LL North Wales	94.9	+/- 1.9	93.9	+/- 2.2	93.2	+/- 2.3	93.2	+/- 2.4	93.8	+/- 1.1	✓
LN Lincoln	92.3	+/- 2.5	97.0	+/- 1.5	93.8	+/- 2.1	93.9	+/- 2.2	94.3	+/- 1.0	✓
LS Leeds	93.3	+/- 2.4	95.5	+/- 1.8	95.1	+/- 1.9	96.0	+/- 1.8	95.0	+/- 1.0	✓
LU Luton	94.6	+/- 2.1	96.8	+/- 1.6	94.3	+/- 1.9	93.6	+/- 2.1	94.9	+/- 1.0	✓
M Manchester	94.1	+/- 2.0	96.8	+/- 1.5	94.6	+/- 1.7	94.2	+/- 1.9	95.0	+/- 0.9	✓
ME Maidstone	93.8	+/- 2.4	94.1	+/- 2.1	95.7	+/- 1.8	95.3	+/- 2.0	94.7	+/- 1.0	✓
MK Milton Keynes	95.1	+/- 2.2	96.0	+/- 1.8	93.9	+/- 2.1	95.6	+/- 1.9	95.1	+/- 1.0	✓
ML Motherwell	93.4	+/- 2.0	95.9	+/- 1.8	92.5	+/- 2.5	93.3	+/- 2.4	93.8	+/- 1.1	✓
N London N	94.2	+/- 2.3	91.3	+/- 2.6	93.7	+/- 2.2	94.0	+/- 2.2	93.3	+/- 1.2	✓
NE Newcastle	93.7	+/- 2.2	95.9	+/- 1.7	95.7	+/- 1.8	92.3	+/- 2.7	94.5	+/- 1.0	✓
NG Nottingham	95.3	+/- 2.0	96.2	+/- 1.7	93.2	+/- 2.2	92.3	+/- 2.8	94.3	+/- 1.1	✓
NN Northamptonshire	94.4	+/- 2.2	94.7	+/- 1.9	94.8	+/- 2.0	94.1	+/- 2.3	94.5	+/- 1.1	✓
NP Newport	92.6	+/- 2.6	95.7	+/- 1.9	93.1	+/- 2.2	95.0	+/- 2.2	94.1	+/- 1.1	✓
NR Norwich	94.2	+/- 2.1	93.3	+/- 2.1	95.8	+/- 1.9	93.8	+/- 2.4	94.3	+/- 1.1	✓
NW London NW	93.0	+/- 2.2	93.8	+/- 1.8	92.4	+/- 2.2	94.7	+/- 1.9	93.4	+/- 1.1	✓
OL Oldham	96.5	+/- 1.8	95.4	+/- 1.9	92.4	+/- 2.3	91.6	+/- 2.6	93.9	+/- 1.1	✓
OX Oxford	93.2	+/- 2.2	94.1	+/- 1.9	93.2	+/- 2.2	95.1	+/- 2.0	93.9	+/- 1.0	✓
PA Paisley	93.1	+/- 2.1	94.1	+/- 1.9	90.1	+/- 2.6	90.8	+/- 2.6	91.9	+/- 1.1	✓
PE Peterborough	90.4	+/- 2.6	92.7	+/- 2.4	93.3	+/- 2.1	95.4	+/- 1.8	93.0	+/- 1.1	✓
PH Perth	92.2	+/- 2.0	92.8	+/- 2.0	94.0	+/- 2.1	91.6	+/- 2.4	92.7	+/- 1.1	✓
PL Plymouth	93.2	+/- 2.5	93.2	+/- 2.1	89.2	+/- 2.7	93.5	+/- 2.4	92.2	+/- 1.2	✓

= Areas below full-year target

✓ = Areas meeting or exceeding full-year target

⊕ = Exempted from postcode area targets

**Table 2. (Continued)**

**Postcode Area (PCA) First Class Stamped and Metered Delivered In PCA  
2006 - 2007**

Postcode Area	Q1	C/L	Q2	C/L	Q3	C/L	Q4	C/L	Cumulative Q1 - Q4	C/L	✓ <input type="checkbox"/>
PO Portsmouth	94.5	+/- 2.1	94.8	+/- 1.9	93.9	+/- 2.2	95.4	+/- 2.2	94.6	+/- 1.1	✓
PR Preston	93.4	+/- 2.5	94.5	+/- 2.3	93.3	+/- 2.2	93.6	+/- 2.2	93.7	+/- 1.1	✓
RG Reading	95.6	+/- 1.8	93.3	+/- 2.3	92.6	+/- 2.3	92.8	+/- 2.3	93.5	+/- 1.1	✓
RH Redhill	96.5	+/- 1.8	96.0	+/- 1.6	94.3	+/- 1.9	93.7	+/- 2.0	95.1	+/- 0.9	✓
RM Romford	93.8	+/- 2.5	95.2	+/- 2.0	92.4	+/- 2.4	91.8	+/- 2.6	93.3	+/- 1.2	✓
S Sheffield	92.6	+/- 2.2	94.5	+/- 1.8	94.3	+/- 1.8	93.4	+/- 2.3	93.8	+/- 1.0	✓
SA Swansea	94.9	+/- 2.7	96.1	+/- 2.1	94.4	+/- 2.4	93.7	+/- 2.8	94.9	+/- 1.1	✓
SE London SE	95.2	+/- 1.6	94.7	+/- 1.9	93.5	+/- 2.5	91.8	+/- 2.7	94.1	+/- 1.0	✓
SG Stevenage	94.9	+/- 2.0	96.9	+/- 1.6	94.3	+/- 2.0	96.0	+/- 1.7	95.6	+/- 0.9	✓
SK Stockport	93.5	+/- 2.5	95.8	+/- 1.8	93.2	+/- 2.3	94.1	+/- 2.2	94.2	+/- 1.1	✓
SL Slough	96.6	+/- 1.6	94.7	+/- 1.8	94.7	+/- 1.9	96.3	+/- 1.7	95.5	+/- 0.9	✓
SM Sutton	94.9	+/- 2.2	96.1	+/- 1.8	96.5	+/- 1.7	95.3	+/- 1.9	95.7	+/- 0.9	✓
SN Swindon	97.4	+/- 1.4	97.5	+/- 1.4	92.7	+/- 2.3	93.8	+/- 2.4	95.3	+/- 1.0	✓
SO Southampton	92.8	+/- 2.4	93.2	+/- 2.2	94.4	+/- 2.1	93.7	+/- 2.4	93.5	+/- 1.2	✓
SP Salisbury	94.1	+/- 2.2	94.5	+/- 1.9	93.5	+/- 2.2	92.6	+/- 2.5	93.7	+/- 1.1	✓
SR Sunderland	93.5	+/- 2.7	94.7	+/- 2.4	90.8	+/- 3.1	92.5	+/- 2.7	92.9	+/- 1.3	✓
SS Southend-on-Sea	94.3	+/- 2.0	97.4	+/- 1.4	96.1	+/- 1.8	94.9	+/- 2.0	95.7	+/- 0.9	✓
ST Stoke-on-Trent	93.8	+/- 2.3	95.1	+/- 1.9	90.0	+/- 2.7	90.4	+/- 2.7	92.3	+/- 1.2	✓
SW London SW	94.4	+/- 1.5	93.6	+/- 1.6	93.2	+/- 2.0	94.1	+/- 1.8	93.8	+/- 0.8	✓
SY Shrewsbury & Mid Wales	94.9	+/- 2.0	94.4	+/- 2.0	94.6	+/- 1.9	93.8	+/- 2.3	94.4	+/- 1.0	✓
TA Taunton	94.0	+/- 2.2	93.4	+/- 2.1	93.0	+/- 2.2	93.7	+/- 2.2	93.5	+/- 1.1	✓
TD Borders	94.2	+/- 2.3	94.7	+/- 2.0	91.4	+/- 2.8	93.4	+/- 2.3	93.4	+/- 1.2	✓
TF Telford	95.4	+/- 2.0	94.9	+/- 2.1	94.5	+/- 2.0	95.7	+/- 1.9	95.1	+/- 1.0	✓
TN Tonbridge	95.0	+/- 2.1	93.7	+/- 2.2	92.4	+/- 2.4	93.6	+/- 2.4	93.6	+/- 1.2	✓
TQ Torquay	93.3	+/- 2.3	93.7	+/- 2.1	84.6	+/- 3.1	94.6	+/- 2.0	91.4	+/- 1.2	<input type="checkbox"/>
TR Truro	91.8	+/- 2.3	95.6	+/- 1.6	93.2	+/- 2.1	94.4	+/- 2.0	93.9	+/- 1.0	✓
TS Teesside	94.2	+/- 2.1	92.6	+/- 2.3	94.2	+/- 2.0	93.1	+/- 2.3	93.5	+/- 1.1	✓

= Areas below full-year target

✓ = Areas meeting or exceeding full-year target

⊕ = Exempted from postcode area targets

**Table 2. (Continued)**

**Postcode Area (PCA) First Class Stamped and Metered Delivered In PCA  
2006 - 2007**

Postcode Area	Q1	C/L	Q2	C/L	Q3	C/L	Q4	C/L	Cumulative Q1 - Q4	C/L	✓☒
TW Twickenham	93.1	+/- 2.1	95.6	+/- 1.6	93.8	+/- 2.0	95.2	+/- 1.8	94.5	+/- 1.0	✓
UB Uxbridge	93.0	+/- 2.4	95.5	+/- 1.8	95.1	+/- 1.8	95.0	+/- 1.8	94.7	+/- 1.0	✓
W London West	93.7	+/- 2.1	96.2	+/- 1.5	96.0	+/- 1.5	94.8	+/- 1.6	95.3	+/- 0.8	✓
WA Warrington	93.4	+/- 2.1	94.9	+/- 2.0	92.9	+/- 2.2	92.3	+/- 2.4	93.4	+/- 1.1	✓
WC London West Central	94.6	+/- 1.9	93.8	+/- 2.1	93.6	+/- 2.0	92.9	+/- 2.2	93.8	+/- 1.0	✓
WD Watford	96.8	+/- 1.7	95.3	+/- 1.7	91.0	+/- 2.3	93.8	+/- 2.0	94.0	+/- 1.0	✓
WF Wakefield	95.4	+/- 2.0	95.0	+/- 1.9	94.6	+/- 1.9	94.2	+/- 2.2	94.8	+/- 1.0	✓
WN Wigan	95.8	+/- 2.1	95.6	+/- 2.0	90.4	+/- 2.6	87.3	+/- 3.2	92.2	+/- 1.3	✓
WR Worcester	94.6	+/- 2.1	94.5	+/- 2.0	93.7	+/- 2.0	92.1	+/- 2.3	93.7	+/- 1.0	✓
WS Walsall	93.1	+/- 2.2	95.6	+/- 1.6	94.0	+/- 1.9	94.6	+/- 2.0	94.3	+/- 1.0	✓
WV Wolverhampton	93.9	+/- 2.1	95.7	+/- 1.7	93.2	+/- 2.1	91.0	+/- 2.5	93.5	+/- 1.0	✓
YO York	96.0	+/- 2.2	96.1	+/- 1.9	93.9	+/- 2.1	92.6	+/- 2.5	94.6	+/- 1.0	✓
ZE Lerwick	42.7	+/- 4.8	37.8	+/- 4.4	39.0	+/- 4.5	42.9	+/- 5.0	40.2	+/- 2.3	⊕

☒ = Areas below full-year target

✓ = Areas meeting or exceeding full-year target

⊕ = Exempted from postcode area targets

**Table 3.**

**Non-Standardised Measure: Percentage of Deliveries By Latest Delivery Times  
2006 - 2007**

Standard	Urban Quarter 4	Rural Quarter 4		Urban Cumulative Q1 - Q4	Rural Cumulative Q1 - Q4
UK	99.4	99.7		99.5	99.7

**Table 4.**

**Non-Standardised Measure: Percentage Of Collections At Or After Final Advertised Time of Collection  
2006 - 2007**

	Percentage Of Collections (From All Access Points Except Business Collections) At Or After Final Advertised Time of Collection	
National Result	Quarter 4	Cumulative Q1 - Q4
UK	98.4	97.9

## 1<sup>ST</sup> CLASS RESPONSE SERVICES

### Review of Results

#### Quarterly Results

Quarter 1 Result	Quarter 2 Result	Quarter 3 Result	Quarter 4 Result	Full Year Cumulative Result
89.2 ±2.1%	90.7 ±1.5%	88.1 ±1.9%	88.4±2.2%	89.1±0.9%

The inclusion of a commentary on Response Services performance should not be interpreted as meaning that Royal Mail has failed against a QoS Standard. The Standard contained within the Licence is for the Bulk First Class Group as a whole and does not apply equally to all products within it. The same is true of Bulk Second Class with regard to Second Class products. The full-year Licence Standards of 91.0% for Bulk First Class and 97.5% for Bulk Second Class have been exceeded.

Royal Mail have consistently stated that the previous Licence target levels (which are now the Grouping target levels) were not realistic for the RS product specification. It was for this reason that Royal Mail developed and launched in 2004/05 a new but complementary set of products, Response Plus, which give customers a choice. We have told Postcomm and Postwatch that we do not consider that the residual controlled Response Services products in the amended Licence are able to achieve the targets for the Groupings. The actual results for RS should not be automatically considered against the Grouping targets.

We have continued in 2006/07 to drive the optimum performance for the residual Response Services products. The Quality Excellence team conducted interventions in high impacting Delivery Offices and Mail Centres during Quarter 2, producing action plans which the Areas then implemented. In addition, a Response Services critical path checklist was developed and used by Areas, enabling quick identification of issues affecting performance. The emphasis during the second half of the year has been primarily on maintaining performance by embedding these actions and techniques into business as usual activities. We continue to monitor performance closely and respond at Areas or units which are outwith the national performance level.

## 2<sup>nd</sup> CLASS RESPONSE SERVICES

### Review of Results

#### Quarterly Results

Quarter 1 Result	Quarter 2 Result	Quarter 3 Result	Quarter 4 Result	Full Year Cumulative Result
96.6±1.3%	94.7±1.3%	94.4±1.3%	94.4±1.5%	94.9±0.7%

The commentary above in the 1<sup>st</sup> Class section encompasses 2<sup>nd</sup> Class Response Services.

## POSTCODE AREA - 1<sup>ST</sup> CLASS STAMPED AND METER DELIVERED

The Schedule Of Standardised Measures requires all Postcode Areas (excluding HS, KW and ZE) to achieve an average performance of 91.5% next day delivery for 1<sup>st</sup> Class Stamped and Meter Delivered in the PCA throughout the 12 months period ending March 2007, excluding the Christmas period.

Full-Year results for 2006-7 are shown in the table below:

Number Of Postcode Areas Averaging 91.5% Or Above For 1 <sup>st</sup> Class Delivered Stamped And Meter	
Full-Year Result	Full Year Cumulative Standard
116 out of 118	118 out of 118

EX (Exeter) and TQ (Torquay) Postcode Areas have failed marginally to achieve the full-year Licence requirement of 91.5% (EX 91.2 +/-1.0% and TQ 91.4 +/- 1.0%). As previous Quarterly Reports have explained, the Industrial Action which took place at Exeter Mail Centre between 29<sup>th</sup> August and 4<sup>th</sup> September 2006 had a significant impact on the Quarter 3 results for EX and TQ. Exeter Mail Centre provides the Inward sortation for Delivery Offices in both postcode areas and their geographical remoteness prevented other sorting offices from supplying useful assistance during the days of the strike. The dispute centred on the handling of attendance procedures with regard to an individual member of staff. As the table below clearly demonstrates, performance in the other 3 quarters of the year has been well above target.

Since the dispute, massive focus has been placed on recovering the full-year performance in EX and TQ. The Quality Excellence team were deployed immediately following the dispute, supporting the efforts of the Area Management team. First class performance in this part of the country is dependent on the Air Network - which is vulnerable to adverse weather - and so the achievement of a result in both PCAs of 94.6% in Quarter 4 is a significant achievement. The areas are disappointed to have failed by only 0.3% and 0.1% respectively.

Postcode Area	Quarter 1 Result	Quarter 2 Result	Quarter 3 Result	Quarter 4 Result	Full Year Cumulative Result
EX - Exeter	93.2 ±2.5%	93.0 ±2.3%	85.1 ±3.0%	94.6 ±2.0%	91.2 ±1.0%
TQ - Torquay	93.3 ±2.3%	93.7 ±2.1%	84.6 ±3.1%	94.6 ±2.0%	91.4 ±1.0%

**Table 5.**

**Licence Condition 5.6 – Complaints Report**

**Q4 Report – 5.6 (a), 5.6 (b) (i), (iii)**

	The number of complaints unresolved at the beginning of period	The number of complaints received in the period	The number of complaints resolved in the period	The number of complaints unresolved at the end of period	Total Compensation Value
Royal Mail Letters Total	8,793	296,129	298,560	21,990	£2,842,723
<b>Main Causes:</b>					
Loss	4,859	126,660	124,937	12,428	£1,946,890
Redirection Failure	813	31,940	33,175	1,715	£68,906
Mis-Delivery	317	30,528	30,769	950	£15,358
Delivery Procedures	198	25,135	25,334	763	£6,010
Delay	697	22,091	23,027	1,084	£167,608
Damage	687	12,727	13,084	1,296	£239,141
Delivery Frequency	74	4,147	4,194	339	£68,709
Redirection Centre Failure	344	3,346	3,583	615	£62,473
Part Loss	29	3,488	3,559	115	£5,483
Other Complaints	775	36,067	36,898	2,685	£262,147

**Q4 Report – 5.6 (b) (ii)**

% Calls answered to quality standard aim – 80% in 20 seconds

% Cases closed to quality standard aim – 100% (inland) in 30 calendar days

Royal Mail

73.4

90.6