

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 2 Report



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**NATIONAL QUARTER 2 REPORT
2006 / 2007**

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OVERVIEW OF QUALITY OF SERVICE PERFORMANCE HALF YEAR – 2006/07

This report is produced in accordance with Conditions 4.9(a), 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 previously been subject to individual targets into one basket with one overall target. In addition there are 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 Postcode Area Standard has changed from Posted in the PCA for Delivery in the UK to Posted in the UK for Delivery in the PCA.

Each Scheduled Service or Standardised Measure (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 the half year with the Performance Band 1 Standard.

The Half-Year reporting period for the End-to-End measures, except Special Delivery, and for Percentage Of Items Delivered Correctly was 20/03/06 – 03/09/06.

The Half-Year reporting period for Special Delivery was 27/03/06 – 24/09/06.

The Half-Year reporting period for European International Delivery was 01/04/06 – 30/09/06.

The Half-Year reporting period for the Collection and Delivery measures was 27/03/06 – 24/09/06.

At the half-year stage 11 of the 12 Condition 4 measures are above the full-year Licence requirement (with the remaining one only marginally below). All but two products (where historical information exists) performed at best-on-record levels for the first 6 months of the year.

The summary position is as follows:

	Half-Year Actual cw Full-Year Target	Best On Record First-Half-Year Result *
Retail First Class	+1.4	✓
Retail Second Class	+0.6	✓
Bulk First Class	+2.5	Mailsort 1 ✓ Presstream 1 ✓ PPI 1 ✓
Bulk Second Class	+1.0	Mailsort 2 ✓ Presstream 2 ✓ PPI 2 ✓
Bulk Third Class	+2.1	✓
Standard Parcels	+4.7	✓
European International Delivery	+7.4	Not Available
Special Delivery	+0.1	
Postcode Area % Delivered	-1/118	Not Available
% Of Collection Points Served Each Day	+0.05	Not Available
% Of Delivery Routes Completed Each Day	+0.08	Not Available
% Of Items Correctly Delivered	+0.15	Not 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 new Postcode Area measure of 1st Class Stamped and Meter Delivered From The UK. Only one PCA out of 118 is marginally below the full-year requirement at the end of Quarter 2. (PE Peterborough 91.3). The PCA has an action plan to deliver at least the 91.7 result required in the second half of the year in order to achieve the full-year target.

The following report details the results for Quarter 2 and the Half-Year. In addition, in accordance with the requirement from Postcomm, a written commentary is provided for any Scheduled Service or Standardised Measure, or for any 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. Cumulatively to the end of Quarter 2 this applies in two cases only:

- Response Services 1st Class (Performance Band 3)
- Response Services 2nd Class (Performance Band 3)

Table 1.

**Scheduled Services & Standardised Measures
Actual Quarter 2 Results
2006 - 2007**

Standard	Scheduled Services & Standardised Measures				
	Standards	Quarter 2	Quarter 2	Cumulative	Cumulative
	%	%	95% cl	Q1+Q2 %	Q1+Q2 95% cl
Grouping 1 (Retail First Class)	93.0	94.5	+/- 0.2	94.4	+/- 0.1
Grouping 2 (Retail Second Class)	98.5	99.1	+/- 0.2	99.1	+/- 0.1
Grouping 3 (Bulk First Class)	91.0	93.8	+/- 0.3	93.5	+/- 0.2
1 st Class Postage Paid Impression	-	93.5	+/- 0.3	93.2	+/- 0.2
1 st Class Response Services	-	90.4	+/- 1.6	89.9	+/- 1.3
Mailsort 1	-	95.6	+/- 2.1	95.6	+/- 1.6
Presstream 1	-	95.0	+/- 0.7	95.0	+/- 0.5
Grouping 4 (Bulk Second Class)	97.5	98.5	+/- 0.4	98.5	+/- 0.3
2 nd Class Postage Paid Impression	-	97.8	+/- 0.4	97.9	+/- 0.3
2 nd Class Response Services	-	94.6	+/- 1.3	95.3	+/- 0.9
Mailsort 2	-	99.1	+/- 0.6	99.0	+/- 0.5
Presstream 2	-	99.0	+/- 1.1	98.5	+/- 0.9
Grouping 5 (Bulk Third Class)	97.5	99.6	+/- 0.5	99.6	+/- 0.4
Standard Retail Parcels	90.0	95.2	+/- 0.8	94.7	+/- 0.6
European International Delivery	85.0	92.7	+/- 1.4	92.4	+/- 0.6
Special Delivery #	99.0	99.1	##	99.1	##
Postcode Area Target % (Delivered)	91.5 (in 118/118)	116 of 118		117 of 118	
Percentage Of Collection Points Served Each Day	99.90	99.95		99.95	
Percentage Of Delivery Routes Completed Each Day	99.90	99.97		99.98	
Percentage Of Items Delivered Correctly	99.50	99.66	+/- 0.08	99.65	+/- 0.07

- 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
AB Aberdeen	94.6	+/- 2.2	96.4	+/- 1.7
AL St Albans	94.2	+/- 2.2	96.5	+/- 1.5
B Birmingham	94.6	+/- 1.6	94.7	+/- 1.4
BA Bath	95.2	+/- 2.0	94.4	+/- 2.0
BB Blackburn & Burnley	91.7	+/- 2.8	92.2	+/- 2.6
BD Bradford	95.3	+/- 2.2	95.8	+/- 1.7
BH Bournemouth	94.5	+/- 2.1	94.4	+/- 2.1
BL Bolton	93.1	+/- 2.4	93.8	+/- 2.0
BN Brighton	95.0	+/- 2.2	94.9	+/- 2.1
BR Bromley	95.3	+/- 2.0	96.5	+/- 1.5
BS Bristol	95.2	+/- 1.9	94.6	+/- 1.8
BT Northern Ireland	92.3	+/- 2.5	94.0	+/- 2.2
CA Carlisle	93.3	+/- 2.2	94.5	+/- 1.9
CB Cambridge	93.0	+/- 2.5	95.1	+/- 1.9
CF Cardiff	93.5	+/- 2.3	93.5	+/- 2.2
CH Chester & Deeside	93.9	+/- 2.3	95.6	+/- 1.8
CM Chelmsford	94.8	+/- 1.9	94.6	+/- 1.8
CO Colchester	95.1	+/- 2.1	95.7	+/- 1.8
CR Croydon	95.4	+/- 1.9	94.6	+/- 1.8
CT Canterbury	94.5	+/- 2.2	94.8	+/- 2.0
CV Coventry & Warwickshire	93.3	+/- 2.5	96.2	+/- 1.7
CW Crewe	93.8	+/- 2.2	92.9	+/- 2.1
DA Dartford	95.4	+/- 1.9	95.6	+/- 1.8
DD Dundee	93.3	+/- 1.8	92.9	+/- 2.1
DE Derby	95.2	+/- 2.1	96.6	+/- 1.6
DG Dumfries	94.7	+/- 2.2	96.7	+/- 1.6
DH Durham	94.7	+/- 1.9	94.6	+/- 1.9

Q1+Q2	C/L	☒
95.7	+/- 1.4	✓
95.5	+/- 1.3	✓
94.7	+/- 1.0	✓
94.8	+/- 1.4	✓
92.0	+/- 1.9	✓
95.6	+/- 1.4	✓
94.5	+/- 1.5	✓
93.5	+/- 1.6	✓
94.9	+/- 1.5	✓
96.0	+/- 1.2	✓
94.9	+/- 1.3	✓
93.2	+/- 1.7	✓
94.0	+/- 1.4	✓
94.2	+/- 1.5	✓
93.5	+/- 1.6	✓
94.8	+/- 1.4	✓
94.7	+/- 1.3	✓
95.4	+/- 1.3	✓
94.9	+/- 1.3	✓
94.7	+/- 1.5	✓
94.9	+/- 1.4	✓
93.3	+/- 1.5	✓
95.5	+/- 1.3	✓
93.1	+/- 1.3	✓
95.9	+/- 1.3	✓
95.9	+/- 1.3	✓
94.7	+/- 1.3	✓

☒ = 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
DL Darlington	94.9	+/- 2.0	94.0	+/- 2.0
DN Doncaster	95.1	+/- 2.1	93.9	+/- 2.1
DT Dorchester	94.4	+/- 2.2	95.6	+/- 1.9
DY Dudley	94.2	+/- 2.1	94.6	+/- 1.8
E London East	92.3	+/- 2.5	95.5	+/- 1.7
EC City of London	95.1	+/- 2.0	95.1	+/- 1.9
EH Edinburgh	92.7	+/- 1.7	94.5	+/- 1.8
EN Enfield	94.4	+/- 2.0	94.5	+/- 1.9
EX Exeter	93.0	+/- 2.5	93.2	+/- 2.3
FK Falkirk	93.0	+/- 1.9	92.7	+/- 2.0
FY Fylde	93.9	+/- 2.4	93.6	+/- 2.1
G Glasgow	93.6	+/- 1.4	94.9	+/- 1.5
GL Gloucester	94.7	+/- 2.1	94.3	+/- 2.1
GU Guildford	96.1	+/- 1.8	93.7	+/- 2.0
HA Harrow	93.9	+/- 2.1	95.2	+/- 1.8
HD Huddersfield	95.1	+/- 2.0	96.1	+/- 1.6
HG Harrogate	90.5	+/- 2.7	95.2	+/- 1.9
HP Hemel Hempstead	95.4	+/- 1.9	95.3	+/- 1.8
HR Hereford	94.9	+/- 2.1	95.9	+/- 1.7
HS Hebrides	82.6	+/- 3.8	86.0	+/- 3.0
HU Hull	96.8	+/- 1.6	95.8	+/- 1.7
HX Halifax	93.4	+/- 2.4	96.1	+/- 1.6
IG Ilford	94.4	+/- 2.1	95.3	+/- 1.8
IP Ipswich	95.7	+/- 1.9	95.4	+/- 1.8
IV Inverness	94.0	+/- 2.0	92.4	+/- 2.1
KA Kilmarnock	95.1	+/- 1.6	95.0	+/- 1.6
KT Kingston upon Thames	95.5	+/- 2.0	96.8	+/- 1.5

Cumulative Q1+Q2	C/L	✓☒
94.4	+/- 1.4	✓
94.4	+/- 1.5	✓
95.0	+/- 1.4	✓
94.4	+/- 1.4	✓
94.2	+/- 1.5	✓
95.1	+/- 1.4	✓
93.6	+/- 1.2	✓
94.4	+/- 1.4	✓
93.1	+/- 1.7	✓
92.8	+/- 1.4	✓
93.7	+/- 1.6	✓
94.3	+/- 1.0	✓
94.5	+/- 1.5	✓
94.8	+/- 1.4	✓
94.6	+/- 1.4	✓
95.6	+/- 1.3	✓
93.0	+/- 1.6	✓
95.3	+/- 1.3	✓
95.4	+/- 1.3	✓
84.8	+/- 2.4	⊕
96.3	+/- 1.2	✓
94.9	+/- 1.4	✓
94.9	+/- 1.4	✓
95.5	+/- 1.3	✓
93.1	+/- 1.5	✓
95.1	+/- 1.1	✓
96.3	+/- 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
KW Kirkwall	84.2	+/- 3.6	87.6	+/- 3.1
KY Kirkcaldy	94.4	+/- 1.7	93.3	+/- 1.9
L Liverpool	95.1	+/- 2.2	93.4	+/- 2.2
LA Lancaster	94.9	+/- 2.1	95.4	+/- 1.8
LD Llandrindod Wells	92.8	+/- 2.6	93.1	+/- 2.3
LE Leicester	95.4	+/- 1.9	94.6	+/- 1.9
LL North Wales	95.3	+/- 1.9	93.7	+/- 2.2
LN Lincoln	92.1	+/- 2.5	96.6	+/- 1.5
LS Leeds	92.9	+/- 2.4	95.3	+/- 1.8
LU Luton	94.8	+/- 2.1	96.5	+/- 1.6
M Manchester	93.8	+/- 2.0	96.1	+/- 1.5
ME Maidstone	93.3	+/- 2.4	93.8	+/- 2.1
MK Milton Keynes	94.8	+/- 2.2	95.8	+/- 1.8
ML Motherwell	92.9	+/- 2.0	95.0	+/- 1.8
N London N	94.4	+/- 2.3	91.3	+/- 2.6
NE Newcastle	93.9	+/- 2.2	95.6	+/- 1.7
NG Nottingham	95.7	+/- 2.0	96.3	+/- 1.7
NN Northamptonshire	94.2	+/- 2.2	94.9	+/- 1.9
NP Newport	91.3	+/- 2.6	95.1	+/- 1.9
NR Norwich	95.1	+/- 2.1	94.2	+/- 2.1
NW London NW	92.8	+/- 2.2	95.0	+/- 1.8
OL Oldham	96.8	+/- 1.8	95.3	+/- 1.9
OX Oxford	93.5	+/- 2.2	94.2	+/- 1.9
PA Paisley	92.8	+/- 2.1	93.5	+/- 1.9
PE Peterborough	91.3	+/- 2.6	91.2	+/- 2.4
PH Perth	92.3	+/- 2.0	92.5	+/- 2.0
PL Plymouth	92.4	+/- 2.5	93.3	+/- 2.1

Cumulative Q1+Q2	C/L	✓☒
86.3	+/- 2.3	⊕
93.8	+/- 1.3	✓
94.3	+/- 1.5	✓
95.2	+/- 1.4	✓
92.9	+/- 1.7	✓
94.9	+/- 1.3	✓
94.5	+/- 1.5	✓
94.5	+/- 1.4	✓
94.2	+/- 1.5	✓
95.7	+/- 1.3	✓
95.1	+/- 1.2	✓
93.6	+/- 1.6	✓
95.3	+/- 1.4	✓
94.1	+/- 1.3	✓
92.6	+/- 1.8	✓
94.8	+/- 1.4	✓
96.0	+/- 1.3	✓
94.6	+/- 1.4	✓
93.3	+/- 1.6	✓
94.6	+/- 1.5	✓
94.0	+/- 1.4	✓
96.0	+/- 1.3	✓
93.9	+/- 1.4	✓
93.2	+/- 1.4	✓
91.3	+/- 1.8	☒
92.4	+/- 1.4	✓
92.9	+/- 1.6	✓

☒ = 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
PO Portsmouth	95.5	+/- 2.1	95.5	+/- 1.9
PR Preston	93.0	+/- 2.5	93.0	+/- 2.3
RG Reading	95.8	+/- 1.8	92.5	+/- 2.3
RH Redhill	95.9	+/- 1.8	96.1	+/- 1.6
RM Romford	93.8	+/- 2.5	94.7	+/- 2.0
S Sheffield	93.2	+/- 2.2	94.2	+/- 1.8
SA Swansea	92.3	+/- 2.7	94.2	+/- 2.1
SE London SE	94.7	+/- 1.6	93.8	+/- 1.9
SG Stevenage	95.1	+/- 2.0	96.5	+/- 1.6
SK Stockport	92.9	+/- 2.5	95.6	+/- 1.8
SL Slough	96.5	+/- 1.6	95.3	+/- 1.8
SM Sutton	94.1	+/- 2.2	96.4	+/- 1.8
SN Swindon	97.7	+/- 1.4	97.1	+/- 1.4
SO Southampton	94.0	+/- 2.4	93.3	+/- 2.2
SP Salisbury	93.4	+/- 2.2	95.3	+/- 1.9
SR Sunderland	92.7	+/- 2.7	93.4	+/- 2.4
SS Southend-on-Sea	95.2	+/- 2.0	97.2	+/- 1.4
ST Stoke-on-Trent	94.7	+/- 2.3	94.8	+/- 1.9
SW London SW	94.3	+/- 1.5	93.5	+/- 1.6
SY Shrewsbury & Mid Wales	94.9	+/- 2.0	94.0	+/- 2.0
TA Taunton	94.1	+/- 2.2	93.8	+/- 2.1
TD Borders	93.4	+/- 2.3	94.6	+/- 2.0
TF Telford	95.5	+/- 2.0	95.0	+/- 2.1
TN Tonbridge	95.3	+/- 2.1	93.3	+/- 2.2
TQ Torquay	93.4	+/- 2.3	93.3	+/- 2.1
TR Truro	91.8	+/- 2.3	95.8	+/- 1.6
TS Teesside	94.4	+/- 2.1	92.8	+/- 2.3

Cumulative Q1+Q2	C/L	✓☒
95.5	+/- 1.4	✓
93.0	+/- 1.7	✓
94.0	+/- 1.5	✓
96.0	+/- 1.2	✓
94.3	+/- 1.5	✓
93.7	+/- 1.4	✓
93.3	+/- 1.7	✓
94.3	+/- 1.2	✓
95.8	+/- 1.2	✓
94.4	+/- 1.5	✓
95.9	+/- 1.2	✓
95.3	+/- 1.4	✓
97.4	+/- 1.0	✓
93.6	+/- 1.6	✓
94.3	+/- 1.5	✓
93.1	+/- 1.8	✓
96.2	+/- 1.2	✓
94.8	+/- 1.5	✓
93.9	+/- 1.1	✓
94.4	+/- 1.4	✓
94.0	+/- 1.5	✓
94.1	+/- 1.5	✓
95.3	+/- 1.4	✓
94.2	+/- 1.5	✓
93.3	+/- 1.5	✓
94.0	+/- 1.4	✓
93.6	+/- 1.6	✓

☒ = 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	Cumulative Q1+Q2	C/L	✓☒
TW Twickenham	93.5	+/- 2.1	95.8	+/- 1.6	94.7	+/- 1.3	✓
UB Uxbridge	92.8	+/- 2.4	95.2	+/- 1.8	94.1	+/- 1.4	✓
W London West	92.8	+/- 2.1	96.2	+/- 1.5	94.6	+/- 1.3	✓
WA Warrington	94.1	+/- 2.1	94.0	+/- 2.0	94.1	+/- 1.5	✓
WC London West Central	95.0	+/- 1.9	93.3	+/- 2.1	94.1	+/- 1.4	✓
WD Watford	96.6	+/- 1.7	95.6	+/- 1.7	96.0	+/- 1.2	✓
WF Wakefield	95.3	+/- 2.0	94.8	+/- 1.9	95.0	+/- 1.4	✓
WN Wigan	95.9	+/- 2.1	95.1	+/- 2.0	95.5	+/- 1.4	✓
WR Worcester	94.5	+/- 2.1	94.1	+/- 2.0	94.3	+/- 1.4	✓
WS Walsall	93.2	+/- 2.2	95.6	+/- 1.6	94.5	+/- 1.3	✓
WV Wolverhampton	93.6	+/- 2.1	95.5	+/- 1.7	94.6	+/- 1.3	✓
YO York	94.7	+/- 2.2	95.0	+/- 1.9	94.8	+/- 1.5	✓
ZE Lerwick	43.3	+/- 4.8	36.7	+/- 4.4	39.1	+/- 3.3	⊕

☒ = Areas below full-year target

✓ = Areas meeting or exceeding full-year target

⊕ = Exempted from postcode area targets

Table 3.

**Percentage of Deliveries By Latest Delivery Times
2006 - 2007**

Standard	Urban Quarter	Rural Quarter		Urban Cumulative	Rural Cumulative
UK	99.6	99.8		99.6	99.8

Table 4.

**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 2	Cumulative Q1+Q2
UK	97.7	97.3

1ST CLASS RESPONSE SERVICES

Half-Year Result	Confidence Level
89.9	+/- 1.3

OVERVIEW

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 for the Grouping as a whole, which is the Licence condition, does not apply equally to all the products within that Grouping. Indeed, Royal Mail have consistently stated that the previous Licence target level (which is now the Grouping target level) was 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 recently told Postcomm and Postwatch at the 6 monthly QoS Review Meeting that we do not consider that the residual Controlled Response Services products in the amended Licence are able to achieve the target for the grouping as a whole.

This does not place the 1c Bulk and 2c Bulk grouping standards at risk - but it does mean that the actual result for RS should not be automatically considered against the grouping target.

The 2005/6 result for 1st Class Response Services was a significant increase of 9.6% on the previous year; the 2nd Class result was 1.9% better. This followed a focussed plan to achieve the optimum performance for the old products. We have continued in 2006/07 to focus on Response Services but we do not consider that any further step-change is realistic. During Quarter 2 our focus has been on maintaining performance, with the following key activities:

- Quality Excellence (QEX) team intervention in the highest impacting Delivery Offices, including investigation into the flow of both 1st and 2nd Class Response Service items from receipt to despatch for delivery
- QEX intervention, as appropriate, into the Mail Centres supplying these Delivery Offices
- Development and use of a Response Services critical path checklist, enabling quick identification of issues affecting performance in units
- Review and improvement of How-To-Fix guides in relation to Response Services, applicable to both Delivery Offices and Mail Centres, made available via Royal Mail's Intranet

2nd CLASS RESPONSE SERVICES

Half-Year Result	Confidence Level
95.3	+/- 0.9

OVERVIEW

The commentary above in the 1st Class section encompasses 2nd Class Response Services and the activities for Quarter 2 listed applied to both products.

POSTCODE AREA - 1ST 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 1st Class Stamped and Meter Delivered in the PCA throughout the 12 months period ending March 2007, excluding the Christmas period.

Progress against this standard is shown in the table below:

Number Of Postcode Areas Averaging 91.5% Or Above For 1st Class Delivered Stamped And Meter	
Half-Year Result	Full Year Cumulative Standard
117 out of 118	118 out of 118

The End-to-End measurement system is designed to produce results which have meaningful statistical accuracy on an annual basis. The results for a time period of less than 12 months have wider statistical accuracy. We do not expect all Postcode Areas to be achieving the full-year target level at the half-year point as a single month of weaker performance with wide statistical accuracy can have a significant effect on the cumulative result. Obviously, as the year progresses the impact of that single month will decrease. This fact - which is supported by historical analysis - was reflected in the flightpath forecasts included in the QoS Plan submitted to Postcomm and Postwatch at the beginning of the year, and we are pleased to report that the half-year actual performance is significantly ahead of the flightpath expectation. That 117 of 118 Postcode Areas are on target at this point is a very good result.

The table below summarises the performance of the Postcode Area which after Quarter 2 is below the full year target level, together with the performance which is required during the remainder of the year in order to achieve its full year standard.

Postcode Area	Half-Year Result	Rest Of Year Requirement
PE Peterborough	91.3 +/- 1.8	91.7

- PE (Peterborough) is the only Postcode Area below the minimum requirement, and is just 0.2% below the Licence full year standard at the half-year point (with a statistical confidence level of +/- 1.8 around the result). Following extensive QTL testing and root cause analysis performance has improved. Immediate evidence of this has been seen in the above target results achieved in Periods 6 and 7 of 92.1% and 94.3% respectively. We are confident that PE will achieve the full year target.

Table 5.

Licence Condition 5.6 – Complaints Report

Q2 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	25,278	305,499	312,111	26,184	£2,696,830
Main Causes:					
Loss	16,386	125,709	128,923	16,975	£1,899,998
Redirection Failure	1,723	37,374	38,241	1,644	£82,057
Mis-Delivery	826	31,545	32,024	698	£9,101
Delivery Procedures	689	24,116	24,536	699	£13,465
Delay	1,007	16,167	16,395	1,144	£120,653
Damage	1,295	11,228	11,905	1,173	£208,414
Delivery Frequency	235	9,948	10,064	215	£256
Redirection Centre Failure	202	4,302	4,405	209	£25,093
Part Loss	251	4,018	4,209	302	£70,500
Other Complaints	2,664	41,092	41,409	3,125	£267,292

Q2 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

73.0%

93.5%