

**Licence Condition 4: Paragraph 8a**

**Licence Condition 5: Paragraph 6**

## **National Report to Postcomm and Postwatch**

**2005 / 2006 Quarter 4 Report**

**(21/03/2005 - 19/03/2006)**



**NATIONAL QUARTER 4 REPORT  
2005 / 2006**

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**Table 1.**

**Scheduled Service Standards National Products  
Actual Cumulative Results (Period 1 – Period 12 2005/06)  
(21/03/2005 – 19/03/2006)**

Standard	Scheduled Standards				Tail of Mail		
	Target %	Period 1-12 Cum %	Period 1-12 95% cl		Target %	Period 1-12 Cum %	Period 1-12 95% cl
1st Class Stamped & Meter All	93.0	94.1	0.1		99.9	99.8	0.0
2nd Class Stamped & Meter All	98.5	98.8	0.1		99.9	99.9	0.0
1st Class Postage Paid Impression	91.1	92.2	0.1		99.9	99.5	0.0
2nd Class Postage Paid Impression	97.4	97.4	0.2		99.9	99.5	0.0
1st Class Response Services	90.8	90.1	0.9		99.9	99.3	0.0
2nd Class Response Services	97.5	95.3	0.6		99.9	99.2	0.0
Special Delivery	99.0	98.8	#		99.9	100.0	#
All PCAs (except 3) To Achieve 91.5 For 1 <sup>st</sup> Class Stamped And Metered Posted To UK	118	116					
All PCAs To Achieve 92.5 For 1 <sup>st</sup> Class Stamped And Metered Intra Postcode Area	121	119					
Mailsort 1	91.5	94.1	1.4		99.9	99.9	0.0
Mailsort 2	97.5	98.7	0.4		99.9	100.0	0.0
Mailsort 3	97.5	99.5	0.3		99.9	100.0	0.0
Presstream 1	91.0	94.3	0.4		99.9	99.9	0.0
Presstream 2	97.5	98.5	0.7		99.9	100.0	0.0
Standard Retail Parcels	90.0	92.0	0.3		99.9	97.8	0.2

# Product subject to continuous sampling (confidence limit inapplicable), 95% cl = 95% confidence limit, Target – Target is full-year cumulative

**Table 2.**

**Postcode Area (PCA) First Class Stamped and Metered  
Actual Cumulative Results (Period 1 – Period 12 2005/06)**

Postcode Area	1st Class Stamped and Metered Posted to UK						1st Class Stamped and Metered Intra PCA					
	Q1	Q2	Q3	Q4	Q1-4	✓☒	Q1	Q2	Q3	Q4	Q1-4	✓☒
AB Aberdeen	95.9	95.6	94.1	94.7	95.1	✓	97.7	97.9	97.3	98.1	97.8	✓
AL St Albans	97.0	92.6	93.6	95.4	94.6	✓	99.1	95.3	94.7	97.3	96.5	✓
B Birmingham	91.7	94.8	94.3	94.2	93.9	✓	93.5	95.9	94.6	95.5	95.0	✓
BA Bath	93.1	93.2	91.3	93.1	92.6	✓	94.5	93.3	92.5	95.2	93.8	✓
BB Blackburn & Burnley	94.3	95.2	93.4	93.9	94.2	✓	95.1	94.9	93.9	96.9	95.1	✓
BD Bradford	95.1	94.9	95.6	97.4	95.7	✓	98.8	96.2	95.1	98.1	96.9	✓
BH Bournemouth	93.8	95.8	96.1	96.3	95.6	✓	97.1	97.1	96.5	97.3	97.0	✓
BL Bolton	95.2	94.8	95.6	95.1	95.2	✓	93.6	91.8	95.5	94.6	94.1	✓
BN Brighton	94.0	95.6	95.4	95.5	95.2	✓	94.5	95.2	97.9	97.6	96.3	✓
BR Bromley	93.7	95.7	95.4	94.9	95.0	✓	96.5	98.4	97.4	97.2	97.4	✓
BS Bristol	90.2	94.5	90.2	91.0	92.4	✓	94.7	95.8	90.9	92.6	94.1	✓
BT Northern Ireland	92.2	94.2	91.5	85.5	91.1	☒	93.1	95.1	92.6	87.3	92.3	☒
CA Carlisle	95.3	95.6	96.3	95.6	95.7	✓	95.9	94.7	98.0	96.7	96.3	✓
CB Cambridge	94.9	93.3	94.9	94.9	94.5	✓	96.8	94.0	93.7	95.4	95.0	✓
CF Cardiff	93.2	95.5	93.0	91.8	93.5	✓	93.6	97.9	96.4	94.0	96.1	✓
CH Chester & Deeside	90.9	96.2	94.9	96.4	94.8	✓	93.3	95.5	96.0	96.3	95.2	✓
CM Chelmsford	93.0	95.4	93.9	92.4	93.8	✓	96.8	96.7	98.5	95.3	96.9	✓
CO Colchester	94.1	94.6	94.7	94.2	94.4	✓	95.6	96.4	97.2	95.4	96.2	✓
CR Croydon	92.2	95.8	93.0	94.8	94.3	✓	95.0	97.4	96.0	96.3	96.5	✓
CT Canterbury	94.6	96.9	94.4	96.4	95.6	✓	95.0	97.7	96.0	97.4	96.5	✓
CV Coventry & Warwickshire	92.3	94.0	94.2	96.0	94.1	✓	92.4	96.2	96.2	95.9	95.2	✓
CW Crewe	93.4	95.7	94.5	94.2	94.6	✓	94.2	96.1	94.3	95.4	95.0	✓
DA Dartford	92.2	97.1	94.9	96.1	95.3	✓	93.6	99.3	97.8	97.7	97.3	✓
DD Dundee	93.1	94.3	94.5	92.7	93.8	✓	92.4	95.5	95.5	92.3	94.1	✓
DE Derby	93.4	95.6	94.3	95.9	94.8	✓	96.2	96.7	96.3	96.6	96.5	✓
DG Dumfries	95.9	96.4	94.6	94.8	95.5	✓	97.4	96.8	95.3	96.4	96.4	✓
DH Durham	92.8	92.2	94.5	94.4	93.5	✓	93.9	93.8	97.1	93.8	94.9	✓
DL Darlington	93.6	95.4	93.9	94.1	94.4	✓	97.0	96.4	95.7	98.4	96.9	✓

**Table 2 Cont.**

**Postcode Area (PCA) First Class Stamped and Metered  
Actual Cumulative Results (Period 1 – Period 12 2005/06)**

Postcode Area	1st Class Stamped and Metered Posted to UK						1st Class Stamped and Metered Intra PCA					
	Q1	Q2	Q3	Q4	Q1-4	✓☒	Q1	Q2	Q3	Q4	Q1-4	✓☒
DN Doncaster	94.2	95.2	95.9	95.1	95.2	✓	94.2	96.7	98.4	95.9	96.4	✓
DT Dorchester	92.0	96.2	93.9	91.7	93.7	✓	93.7	97.6	96.6	93.0	95.4	✓
DY Dudley	94.0	94.3	94.0	93.9	94.2	✓	94.6	97.2	94.0	95.8	95.6	✓
E London East	92.3	86.9	89.2	90.0	89.4	☒	95.0	90.3	93.4	94.4	93.2	✓
EC City of London	92.9	93.0	93.2	94.2	93.4	✓	96.3	92.8	95.5	96.0	95.0	✓
EH Edinburgh	91.9	92.2	93.7	92.2	92.6	✓	95.7	96.3	95.3	97.4	96.1	✓
EN Enfield	94.6	93.5	94.7	95.6	94.6	✓	95.9	94.9	93.2	96.9	95.1	✓
EX Exeter	94.7	94.7	90.7	94.6	93.7	✓	96.5	96.2	95.7	94.5	95.8	✓
FK Falkirk	92.8	94.1	94.5	95.0	94.2	✓	97.7	93.3	94.7	98.0	95.7	✓
FY Fylde	93.5	95.6	92.7	93.5	94.0	✓	94.2	95.1	92.4	95.1	94.3	✓
G Glasgow	94.2	91.9	94.4	93.8	93.6	✓	95.0	91.3	97.2	94.4	94.4	✓
GL Gloucester	92.6	94.4	93.9	91.2	93.2	✓	95.6	95.5	95.5	94.7	95.3	✓
GU Guildford	93.9	96.1	94.1	95.0	94.8	✓	94.7	96.6	94.1	96.2	95.4	✓
HA Harrow	92.4	94.1	93.9	95.0	94.0	✓	93.9	94.8	93.0	94.4	94.5	✓
HD Huddersfield	94.8	93.6	94.6	96.1	94.8	✓	95.8	97.7	95.6	97.8	96.7	✓
HG Harrogate	91.5	93.6	94.6	93.1	93.3	✓	96.0	94.7	93.7	94.7	94.7	✓
HP Hemel Hempstead	93.0	94.2	93.7	95.8	94.1	✓	94.2	94.1	96.4	98.7	95.9	✓
HR Hereford	94.2	95.0	93.0	94.4	94.1	✓	94.4	97.6	94.7	94.8	95.4	✓
HS Hebrides	89.8	91.5	89.1	90.1	90.2	⊕	89.1	96.0	91.7	91.8	92.6	✓
HU Hull	94.7	96.7	94.9	96.8	95.8	✓	97.5	97.3	97.0	96.8	97.1	✓
HX Halifax	92.5	92.7	94.8	93.1	93.4	✓	96.0	97.2	94.5	97.3	96.2	✓
IG Ilford	92.0	93.4	92.3	92.3	92.5	✓	94.7	93.2	94.8	96.2	94.6	✓
IP Ipswich	94.2	95.5	95.3	96.1	95.4	✓	96.3	96.8	97.1	96.7	96.7	✓
IV Inverness	91.8	94.9	93.7	94.5	93.8	✓	94.7	97.3	96.1	96.4	96.3	✓
KA Kilmarnock	92.7	96.3	96.0	93.9	94.8	✓	93.7	98.2	98.9	96.4	96.8	✓
KT Kingston upon Thames	95.0	94.0	96.6	96.0	95.4	✓	96.0	95.7	97.0	94.4	95.8	✓
KW Kirkwall	91.7	93.7	88.1	87.1	90.4	⊕	95.1	94.5	91.6	92.8	93.6	✓
KY Kirkcaldy	95.8	96.6	92.6	93.6	94.7	✓	97.9	97.7	97.2	97.8	97.6	✓

**Table 2 Cont.**

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Actual Cumulative Results (Period 1 – Period 12 2005/06)**

Postcode Area	1st Class Stamped and Metered Posted to UK						1st Class Stamped and Metered Intra PCA					
	Q1	Q2	Q3	Q4	Q1-4	✓☒	Q1	Q2	Q3	Q4	Q1-4	✓☒
L Liverpool	94.4	93.2	92.2	93.7	93.4	✓	96.0	95.9	94.9	96.6	95.9	✓
LA Lancaster	94.7	94.7	94.6	94.3	94.6	✓	94.3	96.4	95.7	95.4	95.5	✓
LD Llandrindod Wells	93.6	94.1	94.4	90.9	93.4	✓	94.4	94.2	94.7	90.1	93.5	✓
LE Leicester	94.7	96.2	94.8	94.2	95.2	✓	96.6	97.1	94.6	95.2	96.1	✓
LL North Wales	91.2	95.4	95.9	96.0	95.0	✓	93.3	97.2	97.7	97.6	96.8	✓
LN Lincoln	96.6	95.5	95.8	95.7	95.9	✓	97.4	95.6	97.2	96.0	96.6	✓
LS Leeds	93.4	94.5	95.1	95.4	94.7	✓	98.5	95.2	97.0	98.2	97.1	✓
LU Luton	93.8	95.2	93.7	95.1	94.4	✓	96.8	97.7	97.3	99.1	97.7	✓
M Manchester	92.3	93.8	92.5	94.6	93.3	✓	93.9	93.2	94.8	94.9	94.2	✓
ME Maidstone	91.7	93.2	93.9	95.5	93.6	✓	93.6	97.4	94.5	95.1	95.2	✓
MK Milton Keynes	94.2	92.5	95.6	95.1	94.4	✓	97.7	94.4	96.0	95.2	95.8	✓
ML Motherwell	93.5	90.2	94.0	96.7	93.5	✓	94.6	94.4	95.4	97.3	95.4	✓
N London N	94.4	93.3	94.1	94.0	94.1	✓	93.7	92.7	91.4	96.7	93.4	✓
NE Newcastle	95.0	95.4	94.1	93.3	94.6	✓	96.0	96.8	96.3	95.5	96.2	✓
NG Nottingham	94.9	94.7	95.7	93.8	94.9	✓	95.7	96.2	97.2	95.2	96.2	✓
NN Northamptonshire	90.7	88.3	93.2	95.0	91.8	✓	95.8	90.3	95.8	96.7	94.8	✓
NP Newport	91.1	94.7	93.1	93.2	93.1	✓	94.4	95.5	95.4	96.2	95.4	✓
NR Norwich	92.9	94.1	93.4	94.1	93.7	✓	96.8	96.2	96.3	94.0	95.8	✓
NW London NW	92.0	93.0	95.2	94.6	93.7	✓	93.4	93.2	94.7	94.1	93.9	✓
OL Oldham	92.8	93.4	95.3	93.4	93.8	✓	96.7	95.4	97.3	95.2	96.1	✓
OX Oxford	92.4	94.8	93.7	92.8	93.6	✓	92.5	95.4	92.4	95.6	94.2	✓
PA Paisley	94.5	94.4	94.2	95.3	94.6	✓	94.4	95.6	97.8	98.0	96.4	✓
PE Peterborough	92.9	94.5	93.4	92.7	93.4	✓	94.8	96.0	96.9	96.5	96.1	✓
PH Perth	94.6	95.6	92.3	93.6	93.9	✓	97.0	97.1	94.5	94.8	95.9	✓
PL Plymouth	92.9	93.9	94.4	94.0	93.8	✓	96.9	98.9	95.9	96.9	97.2	✓
PO Portsmouth	91.7	95.0	93.6	94.4	93.7	✓	94.1	94.0	95.1	97.6	95.4	✓
PR Preston	94.5	93.9	94.6	92.4	93.9	✓	95.6	94.6	98.0	97.8	96.5	✓
RG Reading	93.4	95.3	94.8	93.4	94.3	✓	97.5	97.0	95.7	96.1	96.5	✓

**Table 2 Cont.**

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Actual Cumulative Results (Period 1 - Period 12 2005/06)**

Postcode Area	1st Class Stamped and Metered Posted to UK						1st Class Stamped and Metered Intra PCA					
	Q1	Q2	Q3	Q4	Q1-4	✓☒	Q1	Q2	Q3	Q4	Q1-4	✓☒
RH Redhill	93.6	94.8	95.2	94.7	94.7	✓	95.8	97.8	97.0	96.4	96.8	✓
RM Romford	92.9	91.1	89.8	92.8	91.7	✓	92.9	94.3	91.7	89.5	92.4	☒
S Sheffield	96.1	96.0	95.5	95.4	95.7	✓	96.8	96.1	96.5	94.6	96.0	✓
SA Swansea	95.6	94.3	93.4	94.5	94.5	✓	94.4	94.5	94.0	96.4	95.0	✓
SE London SE	93.1	90.6	95.4	92.4	93.4	✓	92.6	92.2	96.0	95.1	95.5	✓
SG Stevenage	94.9	95.5	95.4	95.7	95.4	✓	96.3	97.0	95.9	98.9	96.9	✓
SK Stockport	92.4	95.0	92.9	94.8	93.8	✓	96.4	97.1	98.5	95.4	96.9	✓
SL Slough	92.9	92.7	94.4	91.9	93.1	✓	92.6	94.0	95.8	92.5	94.0	✓
SM Sutton	94.4	95.9	94.8	96.0	95.4	✓	95.9	96.4	97.0	96.5	96.6	✓
SN Swindon	94.2	95.5	94.5	94.0	94.6	✓	96.2	96.9	95.1	96.8	96.2	✓
SO Southampton	93.9	93.2	95.3	95.8	94.5	✓	96.7	96.4	97.5	98.0	97.1	✓
SP Salisbury	93.9	93.9	95.6	95.7	94.7	✓	97.7	96.2	94.6	96.7	96.2	✓
SR Sunderland	96.1	96.3	96.0	95.7	96.1	✓	96.7	96.6	96.1	97.8	96.7	✓
SS Southend-on-Sea	92.2	94.8	96.1	97.5	95.2	✓	95.1	95.5	96.8	98.6	96.5	✓
ST Stoke-on-Trent	93.2	92.4	92.2	93.1	92.8	✓	95.4	94.2	94.8	94.4	94.9	✓
SW London SW	89.9	91.3	94.8	93.0	92.2	✓	96.4	92.2	93.8	95.5	94.4	✓
SY Shrewsbury & Mid Wales	94.3	95.6	96.4	95.8	95.5	✓	96.8	97.0	97.8	97.9	97.4	✓
TA Taunton	93.9	93.2	92.6	93.7	93.3	✓	93.7	96.1	93.2	95.9	94.8	✓
TD Borders	93.9	94.0	94.3	93.9	94.1	✓	96.0	96.5	97.4	95.1	96.5	✓
TF Telford	93.9	94.4	96.5	95.4	95.1	✓	95.7	96.9	94.9	97.1	96.2	✓
TN Tonbridge	96.3	96.4	95.2	95.3	95.8	✓	96.0	98.4	95.2	96.2	96.4	✓
TQ Torquay	92.9	94.2	92.8	94.6	93.7	✓	94.0	96.7	94.4	95.6	95.4	✓
TR Truro	95.0	95.1	93.6	96.4	95.0	✓	95.5	95.2	94.4	97.6	95.7	✓
TS Teesside	94.1	91.4	94.5	94.5	93.8	✓	95.3	92.6	96.4	95.6	95.2	✓
TW Twickenham	94.5	95.5	94.0	94.4	94.7	✓	97.6	97.2	97.0	94.7	96.7	✓
UB Uxbridge	94.8	92.8	93.2	93.6	93.5	✓	92.8	94.1	92.6	97.5	94.1	✓
W London West	95.0	94.0	94.9	94.5	94.6	✓	97.2	92.0	95.3	95.4	95.0	✓
WA Warrington	95.0	94.1	95.9	94.0	94.8	✓	96.3	94.0	98.3	93.5	95.6	✓

**Table 2 Cont.**

**Postcode Area (PCA) First Class Stamped and Metered  
Actual Cumulative Results (Period 1 – Period 12 2005/06)**

Postcode Area	1st Class Stamped and Metered Posted to UK						1st Class Stamped and Metered Intra PCA					
	Q1	Q2	Q3	Q4	Q1-4	✓☒	Q1	Q2	Q3	Q4	Q1-4	✓☒
WC London West Central	92.9	94.3	91.4	93.6	93.0	✓	94.7	94.4	94.8	95.3	95.0	✓
WD Watford	95.5	97.0	94.7	97.4	96.2	✓	96.1	99.3	98.7	97.7	98.1	✓
WF Wakefield	90.8	95.3	93.5	95.7	93.9	✓	93.8	97.1	94.6	95.8	95.3	✓
WN Wigan	94.5	95.2	93.3	93.6	94.2	✓	94.8	95.7	96.6	97.2	96.0	✓
WR Worcester	94.5	95.3	94.4	94.7	94.9	✓	95.4	96.6	96.7	97.8	96.7	✓
WS Walsall	92.7	92.4	95.0	93.9	93.5	✓	94.1	92.7	95.0	97.7	94.9	✓
WV Wolverhampton	91.6	93.7	91.4	95.9	93.2	✓	92.9	96.1	94.8	97.7	95.5	✓
YO York	94.6	93.7	95.3	93.2	94.3	✓	97.5	95.4	96.4	97.3	96.6	✓
ZE Lerwick	91.1	91.5	91.9	84.7	89.9	⊕	97.3	97.6	96.4	94.7	96.6	✓

☒ = Areas below full-year target

✓ = Areas meeting or exceeding full-year target

⊕ = Exempted from postcode area targets

## OVERVIEW OF 2005/06 QUALITY OF SERVICE PERFORMANCE

The annual results cover the period 21 March 2005 – 19 March 2006.

2005/06 has been a year of record Quality of Service for Royal Mail, in which we have met or exceeded our Quality of Service Plan commitments and have delivered unprecedented levels of service.

Overall for the year 10 of the 15 Licence Service Standards were achieved or beaten. Of the 5 that were below Licence level, 3 (the Special Delivery product and the 2 geographical PCA-level standards) were only marginally below target. The other 2 relate to the Licence targets for the Response Services products, which Royal Mail has never said are realistic for the product specification. For this reason we developed and launched in 2004/5 a new, but complementary, set of Response Service products (which are not included in these results).

The following table summarises (i) the above-target performance (ii) the significant year-on-year improvement for every product and (iii) the best on record results for every product but one.

	<b>(i) Full Year Result Compared With Target</b>	<b>(ii) Change On Previous Year</b>	<b>(iii) Best On Record Result *</b>
1st Class Stamped and Meter	+1.1	+2.7	✓
2nd Class Stamped and Meter	+0.3	+0.3	✓
1st Class PPI	+1.1	+4.7	✓
2nd Class PPI	At target	+1.4	✓
Mailsort 1	+2.6	+3.0	✓
Mailsort 2	+1.2	+1.4	✓
Mailsort 3	+2.0	+1.0	✓
Presstream 1	+3.3	+3.9	✓
Presstream 2	+1.0	+1.0	✓
Standard Parcels	+2.0	+2.3	
Special Delivery	-0.2	+0.8	✓
1st Class Response Services	-0.7	+9.6	✓
2nd Class Response Services	-2.2	+1.9	✓

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

The geographical (PCA-level) results are the best ever. Only 2 of the 118 targeted Postcode Areas failed the target for 1<sup>st</sup> Class Stamped and Meter Posted To The Rest Of The UK, and only 2 of the 121 targeted Postcode Areas failed the target for 1<sup>st</sup> Class Stamped and Meter Intra. The margin of failure was small.

The following report gives a more detailed review of performance in 2005/06 for each of the 15 Licence Quality of Service Standards. The summary of the Plan designed to meet the Licence Quality of Service Standards for 2006/07 has separately been provided to Postcomm and Postwatch.

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**Table 3.**

**Stamped; Metered; PPI; Response Services; Special Delivery and Standard Retail Parcels  
Actual Cumulative Results (Period 1 - Period 12 2005/06)**

Standard	Scheduled Standards			
	Full Year Target %		Period 1 - 12 %	95% cl
1st Class Stamped & Meter All	93.0		94.1	0.1
2nd Class Stamped & Meter All	98.5		98.8	0.1
1st Class Postage Paid Impression	91.1		92.2	0.1
2nd Class Postage Paid Impression	97.4		97.4	0.2
1st Class Response Services	90.8		90.1	0.9
2nd Class Response Services	97.5		95.3	0.6
Special Delivery	99.0		98.8	#
Standard Retail Parcels	90.0		92.0	0.3

\*Target is full-year cumulative

# Product subject to continuous sampling (confidence limit inapplicable)

95% cl = 95% confidence limit

## Overview of Quality of Service Action Plan Deployment

Performance Management of all customer, employee and shareholder measures is an ongoing, iterative and dynamic process within Royal Mail that involves a combination of daily, weekly and monthly reviews at all levels of the organisation. This approach allows:

- continuous refinement of our understanding of the root causes of Quality of Service delay
- monitoring and review of the effectiveness of our previously deployed improvement activities
- reprioritisation of improvement activities in response to shortfalls in performance and/or organisational capability to effectively deploy change.

The Quality of Service Action Plan published at the start of each financial year represents our best understanding, at a snapshot in time, of the required improvement activities, their deployment timescales and expected benefits. Table 1 below provides a summary progress report on the improvement activities set out in the Quality of Service Action Plan for 2005/06.

During each quarter a number of new activities are identified and deployed or scheduled for deployment. Table 2 therefore provides an update on the new improvement activities that were introduced in Quarters 1-4.

In some cases, initiatives have not been completed as originally planned – this is generally because a better solution has been identified or because the original terms of reference have been extended. Where an activity has not been completed as planned, a full explanation is provided in the main body of this report.

**Table 1: Update on Quarter 1 - Quarter 4 Activities as scheduled in National Quality of Service Plan**

Activity		Schedule	Status
<b>Delivering Improvements Yourself (Integrated Quality Approach)</b>			
01	<b>National Workplan Deployment</b>		
	Communication and roll out of plan	Quarter 1	Full compliance achieved 26 Feb 2006
	Performance Management of Standards against new National Workplan	Quarter 1	Completed
	Audit of Standards against new National Workplan	Quarter 1	Completed
	Self Audit of Standards in Mail Centres against new National Workplan	Quarter 1	Completed
02.1	<b>Standard Operating Procedures - Collections &amp; Delivery</b>		
	Customer Facing SOPs developed and trialled	Quarter 1	Complete
	Customer Facing SOPs rolled out	Quarter 1	Complete
	Review performance against SOPs	Quarter 1	Complete
	Identify areas of non-compliance and implement corrective action	Quarter 1	Complete
	Remaining Delivery and Collections SOPs developed	Quarter 2	Complete
	Secondary SOPs assured	Quarter 2	Complete
	Secondary SOPs deployed	Quarter 2	Complete
02.2	<b>Standard Operating Procedures - Processing</b>		
	SOPs developed	Quarter 1	Complete
	SOPs rolled out	Quarter 2	Complete
	Review performance against SOPs	Quarter 2	Complete
	Identify areas of non-compliance and implement corrective action	Quarter 2	Complete
03	<b>Individual Performance Standards</b>		
	IPS Deployed	Quarter 1	Complete
	Review of Performance against IPS	Quarter 1	Ongoing
04	<b>Self Audit</b>		
	Deployment of Self Audit Packs	Quarter 1	Complete
	Deployment of Intranet data repository	Quarter 1	Complete
	All work Area Managers and Delivery Office Managers are using the Self-audit process to ensure on-going compliance to SOP's	Quarter 1	Complete

05	<b>Manpower Planning</b>		
	Roll out of Manpower Planning tool completed in 3 phases	Quarter 1	All 3 phases complete
06	<b>DIY (IQA) Systems - Quality Dashboard</b>		
	User testing undertaken in 3 Areas	Quarter 1	Complete
	Quality Dashboard System deployed to 15 Areas	Quarter 1	Complete
	Deployment to remaining 16 Areas	Quarter 2	Complete
	E-learning modules developed to support knowledge transfer of the Dashboard System	Quarter 2	Delayed until 2006/7. Classroom based training is being used until full development of the Dashboard is completed.
07	<b>RFID</b>		
	RFID - Procurement order placed	Quarter 1	Complete
	Pilot sites installed	Quarter 2	Complete
	Phased deployment commences	Quarter 2	Deployment will commence July 2006 subject to full appraisal of pilot
08.1	<b>DIY (IQA) Deployment - Change Managers</b>		
	Change Managers - Resource deployed in 15 Areas	Quarter 1	Complete
	Resource deployed in remaining 16 Areas	Quarter 2	Complete
08.6	<b>DIY (IQA) Deployment - Communications</b>		
	Workplan change	Quarter 1	Complete
	Adherence to Standards frontline campaign	Quarter 1	Ongoing
	SOPs deployment in Delivery and Collections	Quarter 1	Complete
	SOPs deployment in Mail Centres and Collections	Quarter 1	Complete
	Self Audit Deployment	Quarter 1	Complete
	Materials for DOMs and WAMs to support pre-shift discussions	Quarter 2	Materials made available on a 'pull' basis. Areas encouraged to increase the use of huddles.

08.7	<b>DIY (IQA) End State</b>		
	Work Area Managers and Delivery Office Managers initiate daily 5 minute discussion with frontline staff on performance	Quarter 3	Increase in the number of units holding pre-shift discussions. Further support and training planned in 2006/7 to increase coverage.
	Managers employ daily reports to enhance performance team briefs. Local quality improvement action plans developed	Quarter 3	Increased usage of QCS reports to monitor and improve performance.
	Staff fully engaged in quality performance	Quarters 3-4	Good staff engagement in some units – others being supported
	Best practice networks established within Areas	Quarter 3	DIY Academy established and ideas placed on Intranet database
	Professional networks created to provide upward feed on national improvement opportunities	Quarter 3	DIY Academy to be developed rather than establishing a separate set of professional networks
	Improvements to Quality Control Reporting system	Quarter 3	Work continuing to improve QCS system
	<b>People Plan</b>		
9	<b>Work Time Learning</b>		
	Continued deployment of weekly WTL sessions and ongoing development of issue specific learning packs	Ongoing	Ongoing as planned
10	<b>Frontline Induction Training</b>		
	Revised Induction Training Course deployed	Quarter 1	Complete
	Training material updated to reflect development of Standard Operating Procedures	Quarters 1-2	Complete for all SOPs reviewed to date. Change control processes established to ensure all future amendments are captured and materials updated accordingly
11	<b>Work Place Coaches</b>		
	Trial and review approach in 2 Areas	Quarter 1	Complete
	Select and train Work Place Coaches	Quarters 1-3	Coaches fully deployed in 4 Areas – total of 290 coaches in place. Full deployment

			by Sep 2006.
	1500 work place coaches deployed	Quarter 2	See comment above
12	<b>Apprenticeships</b>		
	Over 1000 apprenticeships will be trialled in a number of selected Areas	Quarters 1-4	Phase 1 complete – 150 apprentices employed in 7 Areas Phase 2 – 11 additional Areas to receive Apprentices. Apprentices started in 2 new areas in May 2006. Focus on internal recruitment of apprentices. Funding being sought for Scotland, N Ireland and Wales
13	<b>“My Development” Managerial training</b>		
	9 courses, involving over 600 managers already completed	Quarter 1	Complete
	18 courses planned for 05/06	Quarters 1-4	15 courses completed in 2005/6
	Course content updated to reflect development and deployment of IQA elements	Quarter 1	Complete
	Additional modular leadership training packages to support front line mgmt capability to engage with staff	Quarter 2	Complete
14	<b>Behavioural Workshops</b>		
	Workshop support materials made available	Quarter 1	Further delayed due to slow progress of negotiations with CWU
	Deployment of Workshops	Quarter 1	Some workshops have taken place at Area level but no agreement with CWU on a formal programme
15	<b>Resourcing</b>		
	Continuing migration of temporary staff to permanent status and to ensure both vetting of new employees and adequate training and support of casual staff	Ongoing	Ongoing as planned

16	<b>Attendance Management</b>		
	Complete Attendance Procedure negotiations with Trade Unions	Quarter 1	Further delayed due to lack of agreement with CWU on roll out
	Reshape and implement the 04/05 Attendance Incentive scheme	Quarter 1	Complete
	Complete trial of the revised Attendance Procedure	Quarter 2	Further delayed due to lack of agreement with CWU on roll out
	Deploy revised Attendance Procedure	Quarter 2	See comment above
	Identify Phase 2 Attendance Management Actions	Quarter 2	See comment above
	Prepare and commence implementation of Phase 2 deployment plan	Quarter 2	See comment above
17	<b>Industrial Relations Framework</b>		
	All front line and other key managers, along with union reps will participate in 1 day training events	Quarters 2-3	Delayed due to slow progress in negotiations with CWU
18	<b>Royal Mail Way</b>		
	Phase One – set up and capability building	Quarter 1	Complete
	Phase Two – Core Implementation	Quarter 1	4 of the 6 Mail Centres completed
	Phase Three – Embedding Royal Mail Way	Quarter 2	4 Mail Centres commenced in Quarter 4
	Phase Four – Sustainment	Quarters 3-4	Will take place in Quarter 1 2006/7

	<b>Pipeline Specific Improvement Activities</b>		
19	<b>Collections Performance</b>		
	Full utilisation of ABC data in Collections Performance Management	Quarter 1	Work progressing on new Networked system – will continue into 2006/7
20	<b>Production Management and Control - Workload Scheduling Tool rollout</b>		
	Workload scheduling tool design stage complete	Quarter 1	Complete
	Pilot Application	Quarter 1	Complete
	Business Case presentation	Quarter 1	Complete
	Planned roll out	Quarters 2-4	Deployment proceeding as planned – 22 Mail Centres have received the Production Scheduling Tool and the Production Monitor
21	<b>Auto-utilisation</b>		
	Design diagnostic tool	Quarter 1	Complete
	Deploy key performance indicator to show measure % automated against capacity for each Mail Centre	Quarter 1	KPI ready for deployment – will be rolled out gradually during 2006/7
	Reduce sort plan numbers across shifts	Quarters 2-4	Improvements made – work ongoing
	Re-fresh automation training	Quarters 2-4	Ongoing as planned
22	<b>Network Performance Management</b>		
	Daily conference calls and monitoring of adherence to “Move to Time” policy. Audits of compliance at units and review of contingency arrangements	Ongoing	Ongoing as planned
23	<b>Deployment of Distribution Management System (DMS)</b>		
	Initial trial activity of system	Quarter 1	Complete
	Detailed Proof of Concept trials in 2 Areas	Quarter 1	Complete
	Full Business Case submission	Quarter 1	Completed in Quarter 2
	Implementation of Phase 1 (Midlands and Anglia)	Quarter 4	Delayed but proceeding – aim to

			complete implementation during Quarter 1 2006/7
24	<b>Distribution Planning Tool</b>		
	Train Paragon schedulers	Quarters 2-3	Complete
	Establish and cleanse current state national duties	Quarters 1-2	Complete
	Produce initial Paragon schedules	Quarters 1-4	Initial draft schedules completed for 4 out of 8 regions
	Operational input verification	Quarters 1-4	Ongoing as planned
25	<b>Double Decker Trailers</b>		
	Purchase initial 40 Double Deck trailers	Quarter 1	Completed
	Resolve site restrictions at 6 sites	Quarter 1	Completed
	Devise Phase 1 deployment plan	Quarter 1	Completed
	Build business case for resolving site restrictions at remaining sites	Quarter 2	Completed
	Devise Phase 2 deployment plan	Quarter 2	Completed
	Phase 2 deployment	Quarters 2-4	Progressing with minor delays. Deployment will be completed by end Quarter 1 2006/7
26	<b>Ongoing conveyance of mail by rail</b>		
	Trial ends	Quarter 1	Complete
	Trial evaluated	Quarter 1	Complete
	Decision made	Quarter 1	Complete
27	<b>Air Network Review Investment Programme</b>		
	New Management structure at airports	Quarter 3	Work continuing. Implementation due Quarters 1/2 2006/7.
	Provision of Bomb Box at key network sites	Quarter 2	Further delays encountered – first box will be deployed Oct 2006

	Additional handling staff at specific airports	Ongoing	Ongoing as planned
	Upgrades and alterations to specific air routes	Ongoing	Ongoing review in line with contract renewals
	Improvements at East Midlands Airport – business case approval	Quarter 2	Complete – accommodation will be ready for service Oct 2006
	Additional handling equipment at key airports	Ongoing	Progressing as planned
28	<b>Bagless Network – Mail Centre Flows</b>		
	Trial	Quarters 2-3	Completed
	Evaluate trial		Completed
	Progress full business case		Will depend on deployment option chosen
29	<b>Bagless Network – Mailsort Traying</b>		
	Trials underway	Quarter 1	Complete
	Business case presented	Quarter 1	Deferred following budget prioritisation exercise

30	<b>EU Working Time Directive - Risk</b>		
	Establish the high level impact in Network and Royal Mail Logistics areas	Quarter 1	Complete
	Develop detailed unit level impact assessment and solutions	Quarters 1-4	Completed in 26 of 39 Vehicle Operating Centres
	Develop monitoring tools to ensure compliance	Quarter 4	Appropriate software being sought
31	<b>7.5 tonne vehicle speed restriction to 56mph - Risk</b>		
	Scope and define pipeline impact	Quarter 1	Completed
	Define outline business response	Quarter 1	Completed
	Engage stakeholders in defining the business response	Quarter 2	Completed
	Plan pipeline changes	Quarters 2-4	High level design completed and communicated to Areas for detailed local planning
32	<b>Delivery Best Practice</b>		
	Establish resource and design training programme	Quarter 1	Complete
	Roll out Best Practice initiative	Quarters 1-2	Interim version of Indoor Workload Tool and A+ Online now fully deployed. Mapping Verification and GeoRoute training workshops underway – due completion by Sep 2006

	<b>Product Specific Improvement Activities</b>		
33	<b>Special Delivery Product Review</b>		
	Review commences	Quarter 1	Complete
	Review findings presented to Operations Executive	Quarter 1	Complete
	Review findings presented to Letters Board	Quarter 1	Complete
	Action plan developed for deployment	Quarter 2	Complete
34	<b>Standard Parcels Review and Performance Management</b>		
	Analysis of Standard Parcels Quality loss	Quarter 1	Complete
	Communication of issues to high impacting units	Quarter 1	Complete
	Ongoing monitoring of Standard Parcels Quality loss	Quarter 1	Performance closely monitored
	Performance review by Operations Executive	Quarter 1	Complete
	Additional remedial action planning where required	Quarter 1	Complete
35	<b>PPI QTL Review and next steps</b>		
	QTL exercise deployed	Quarter 1	Deployed and ongoing
	Ongoing analysis of QTL exercise findings	Quarter 1	Deployed and ongoing
	Extension of QTL study	Quarter 1	Complete and ongoing
36	<b>Response Services - maximise performance and new product migration</b>		
	Performance Management of existing Response Services product in order to maximise performance	Ongoing	Ongoing as planned
	Customer incentives to migrate to new product	Quarter 1	Ongoing as planned
	<b>Other Generic Activities</b>		
37	<b>Performance Management</b>		
	Performance Management process	Ongoing	Ongoing as planned
38	<b>Independent Audit</b>		
	Rolling programme targeting high impact units	Ongoing	Ongoing as planned

39	<b>Quality Excellence Taskforce</b>		
	Rolling programme of taskforce reviews targeting poor performing Postcode Areas and individual high impact units	Ongoing	Ongoing as planned

The following table provides an update on new activities which were introduced in Quarters 1-4 that were not outlined in the original Quality of Service Plan.

**Table 2: Update on new activities introduced in Quarters 1 - 4 (not included in the original Quality of Service Action Plan)**

	<b>Activity</b>	<b>Schedule</b>	<b>Status</b>
02	<b>Standard Operating Procedures</b>		
	Review and refine SOPs for Network operations	Quarter 4	Slight slippage in deployment plan to enable engagement workshops with frontline staff to take place
	Review and refine SOPs for RDCs	Quarter 4	Slight slippage in deployment plan to enable engagement workshops with frontline staff to take place
	Review and refine SOPs for International operations	Quarter 4	Slight slippage in deployment plan to enable engagement workshops with frontline staff to take place
	Integrate new Network, RDC and International SOPs into Self Audit process	Quarter 4	Delayed. Refinement to self-audit is dependent on SOPs being finalised.
05	<b>Manpower Planning</b>		
	Launch improved version of tool	Quarter 2	Completed
	Develop individual Area workshops to enhance understanding and usage	Quarter 3	Completed
	Develop e-Learning national training package	Quarter 4	Completed

18	<b>Royal Mail Way</b>		
	Additional deployment of Royal Mail Way into Edinburgh MC	Quarter 1	Complete
	Contractual negotiations with external consultants	Quarter 2	Complete
	Consultants working with seven sites	Quarter 3	Work continuing
27	<b>Air Network Investment Programme</b>		
	Handling Specification: Handling spec between RM and PAN Aircraft operators	Quarter 4	Complete for one airport – work continuing
	Airport Training Programme: training package	Quarter 4 onward	Work commenced
	Unit Loading Device: robust process on reporting and monitoring damage to containers	Quarter 4 onward	Work commenced
35	<b>PPI QTL Review and next steps</b>		
	Extension of review to examine 2 <sup>nd</sup> Class PPI performance	Quarter 2-3	Work is continuing
	<b>Postcode Area QTL Testing</b>		
	Introduction of QTL testing to support root cause analysis and fix activity for PCAs failing to perform at Minimum Floor level	Quarter 2-3	Studies continuing
	<b>RS QTL Testing</b>		
	1 <sup>st</sup> Class Response Services QTL Testing	Quarter 3	Undertaken in Quarters 3 and 4.

## **1<sup>st</sup> CLASS STAMPED AND METER**

### **Quarterly Results**

Quarter 1 Result	Quarter 2 Result	Quarter 3 Result	Quarter 4 Result	Full Year Cumulative Result	Full Year Cumulative Target
93.6±0.2%	94.3±0.2%	94.1±0.2%	94.2±0.2%	94.1±0.1%	93.0%

### **Overview**

With a full-year cumulative result of 94.1% for 2005/6, 1<sup>st</sup> Class Stamped and Metered has exceeded the higher Licence target for 2005/6 by 1.1% and is above the result for the previous year by 2.7%. 94.1% is the best on record annual result for 1<sup>st</sup> Class Stamped and Metered (comparable results go back to 1995/6).

As mentioned in previous reports the success of the product during the year is due significantly to the improved reliability of our transport network, together with the 24 hour fix logic applied to key workplan clearances. Improvements made have been robust, and this is reflected in results which have remained above target level in each quarter.

As in the previous quarter, Quarter 4 has seen the transport network tested by poor weather conditions. Our air network, which for some long distance routes is the only method of transport fast enough to make the necessary connections, is vulnerable to poor weather conditions, particularly fog and high-winds. However, although inevitably some failures have occurred as a result of these incidents, reliability of the network generally has been excellent. Where required, contingency resource has been deployed quickly and effectively, either preventing service failures completely or reducing the level to an absolute minimum.

In addition to robust performance in the transport network, Royal Mail's 'under the roof' operations in Delivery Offices, Mail Centres, Regional Distribution Centres and Network Hubs have contributed both to the excellent result for the Quarter 4 as well as the year as a whole. Mis-sortation, mis-labelling and mis-delivery have been a focus for many teams as they seek to address the remaining quality gap, these activities being supported by the DIY programme.

## **National Quality of Service Action Plan- Quarter 4 Update**

The results in this report demonstrate the success of the vision communicated in the 2005/6 Quality of Service plan of a “relentless focus on quality”. This vision has been translated into many individual work strands within the organisation but more significantly has been embraced by managers and front-line staff within Royal Mail’s operational units.

The Operations Executive continues to meet on a weekly basis to examine performance across the operational pipeline, supported by a network of daily conference calls and e-mail communications within operational Areas and Logistics teams. Through the process problem areas are exposed and remedial action taken quickly. Any underlying issues are exposed via root cause analysis and plans put in place to solve them, with individuals made accountable for leading the necessary action.

In addition to these activities, culture change, pipeline-specific and product-specific initiatives have addressed further areas of improvement. These activities are described in the National Quality of Service Plan for 2005/6 that was shared with Postcomm and Postwatch.

Below are detailed the key activities contained in the 2005/6 Quality of Service Plan and progress against them during Quarter 4. As with previous reports, some activities have been delayed and are now progressing to new timescales. Where this is the case, this is stated along with the reasons why the delay has occurred.

It is also worth noting that in some cases where consultation is required with the CWU a careful approach is being taken to ensure all parties are engaged in maximising the positive effects of the initiative. Again, a full explanation is provided for each element.

### **Delivering Improvements Yourself (previously named Integrated Quality Approach or IQA)**

DIY is the generic title given to a series of interrelated initiatives, each one of which has a detailed activity plan that is subject to project control disciplines. Some of these initiatives commenced in previous years but the effectiveness of their deployment is being reviewed as part of the DIY programme.

#### **1. National Workplan**

The national workplan exists to provide a standard way of working across the entire Royal Mail network by specifying product arrival and despatch times at each point of the pipeline. The operation is constantly evolving and a new workplan has now been developed to support further improvements in performance. It focuses on giving clearer accountability for products. It does this by ensuring that products are processed on a single shift, the result being that the shift is solely responsible for the clearance and despatch of that product.

Implementation of the new Workplan in operational units and in our transport network was completed during Quarter 4 and all the necessary monitors and controls to ensure ongoing compliance to the new standards have been introduced. Further changes to the workplan will be

required during 2006/07 to reflect the impact of new legislation, such as the 56mph speed limit.

## **2. Standard Operating Procedures (SOPs)**

Standard Operating Procedures define how tasks in the mails pipeline should be performed and describe the detail below the National Workplan level. They provide the basis for a consistent way of working by detailing the procedures to be followed for frontline activities in a clear and easy to understand language. There are around 250+ SOPs to cover the entire pipeline.

As described in previous reports, the 14 SOPs that cover the critical Customer Facing work elements were the first to be reviewed and re-launched. Work then began on the remaining SOPs. All work areas within the Collection, Delivery and Processing operation now have revised SOPs and are fully aligned with the new National Workplan. Whilst there was a slight slippage to the timescales contained within the Quality of Service Plan for 2005/6, the benefit gained from having the CWU fully engaged in the review process has been significant and managers are now using SOPs to coach and refresh understanding with front line employees.

The SOP initiative in the Quality of Service plan for 2005/6 limited itself to defining activities in Delivery Offices and Mail Centres. However, given the success of the workshop approach in obtaining buy-in from frontline staff, the decision was made to review SOPs in the Network, in Regional Distribution Centres and in Royal Mail's International operation. This work is continuing into Quarter 1 of 2006/07.

## **3. Individual Performance Standards (IPS)**

Following their re-launch in 2004/5 Individual Performance Standards continue to be used in day-to-day management to ensure adherence to standards. Work Place Coaches use IPS in order to support new entrants and they will continue to form part of the induction training for all new entrants.

## **4. Self Audit**

Self Audit has been introduced to monitor adherence to standards on a daily basis. The Self Audit questionnaire requires Delivery Office Managers and Work Area Managers (in Mail Centres, Regional Distribution Centres and Network Hubs) to focus on key elements of the pipeline operation. Failure against a key question prompts consideration of a drop down menu of enablers and root cause steers by the manager. These daily audits are one of a wide range of diagnostic measures that feed into daily, weekly and monthly reviews – and help provide evidence which is used to identify where opportunities exist to drive Quality of Service improvement – by directing the relevant manager to areas where less than 'excellence' exists.

The CAS team continue to monitor the deployment of Self Audit through the independent CAS reviews.

Self-Audit will be deployed in Network, Regional Distribution Centre and International operations when the Standard Operating Procedures relating to these are finalised.

## **5. Manpower Planning**

Weakness in manpower planning in the past put Quality and Universal Service Obligations at risk because units were not always adequately resourced. The Royal Mail Management Board identified the need to strengthen controls regarding resource planning disciplines and therefore install reliable forecasting and planning processes.

Improved manpower and resource planning has been embedded into operational units during 2005/6 via use of the Manpower Planning Tool and local initiatives. The results of this have been seen, for example, as units have made better preparation for high absence periods or periods of high mail volumes.

The Manpower Planning Tool was updated in December 2005 and again in March 2006.

In addition to the unit tool, a Manpower Planning Tool for planning managerial resource has also been developed. The tool is designed to assist unit managers in Mail Centres, Regional Distribution Centres, Network hubs and larger Delivery Offices to plan allocation of managers. The tool is now available for use on a 'pull' basis.

The e-learning training package has been developed and is available to all employees to use either in the office or from home via the Royal Mail's e-learning website.

## **6. DIY Systems – Quality Control System (QCS)**

The Quality Control System, formerly known as the "Quality Dashboard", will enable operational managers at every level to access a pictorial synopsis of performance. Based on real time data, information provided will direct managers to improvement opportunities within the pipeline, allowing individuals to drill down to their office or work area to identify the impact that the performance of a constituent part has upon the whole.

The QCS tool was not rolled to Area Commercial Managers and Quality Analyst Managers in July as originally planned as further work was undertaken to prove the benefits associated with this significant investment.

Following delays discussed in previous reports, the present version of QCS was successfully rolled out to all Areas in Quarter 3. 425 user licences have been purchased and shared between the 31 Areas and Network hubs / Regional Distribution Centres.

Further enhancements to the system have been identified and therefore the development of E-learning modules has been delayed until these changes have been deployed. In the interim, to support the knowledge transfer of the Dashboard system 323 users received classroom based training during Quarter 4.

## **7. RFID**

Significant new investment is being made by Royal Mail in the form of Radio Frequency Identification technology. RFID tags will be used by the external End to End measurement agency in sample items posted by panellists. 'Internal' tags will also be made available to Areas so that local diagnostic studies can be undertaken as required. The tags will be recognised by sensors as items enter and leave our buildings and the event recorded<sup>1</sup>. The information made available will provide diagnostic data for specific units and identify where and when delay is occurring for the tagged item.

Following delays due to hardware issues and in order to avoid disruption during the Christmas pressure period, the 13 week trial of RFID commenced in early January. As anticipated, a few technical issues were encountered during the early weeks, but these were only minor issues with the management information system. In order to gain a sufficient reference period, the pilot was extended into Quarter 1 of 2006/7 but has now been completed.

The Pilot phase has allowed us to understand the benefits of RFID plus the full costs and the practical applications of the system. A business case is now being developed which fully reviews the costs of national deployment against achievement of the critical success factors from the pilot. If the benefits are proven then we will move to national deployment in 2006/7.

### **DIY Deployment – Change Managers, Training and Capability, and Communications**

Key to the successful deployment of the DIY initiative is a targeted communications plan and support via enhancements to frontline and managerial training. Area Change Agents and Area Champions have been identified and trained to support the deployment.

During Quarter 4 we have been planning the next phase of the DIY Academy which will take place in Quarters 1 and 2 2006/07. Meanwhile we have continued to support the 'DIY Lite' version of the training course at Area level.

The interactive and visual DIY Talkabout Map, which was developed and deployed during Q3 to support Worktime Listening and Learning, was refreshed in Quarter 4. The Map encourages people to discuss the role they have to play in improving QoS reliability, acts as a reminder on compliance to standards and asks each team to identify what they can do to tackle issues such as mis-labelling, mis-sorting and mis-delivery. Further innovative communications are planned for Quarter 1 2006/07 to reinforce the key messages and ensure Quality of Service and USO remain our primary focus.

### **DIY Front Line Engagement**

Although pre-shift discussions have been taking place in some units for a number of years the introduction of the "daily huddle" in Quarter 2

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<sup>1</sup> Clearly these events will still be 'invisible' to the Royal Mail operation and there will be a suitable delay between the event and the provision of the data to ensure End to End sample items can not be influenced by Royal Mail.

highlighted weaknesses in capability and the format and the availability of data to optimise the huddles.

Quarter 4 saw the standard display format and support materials developed in Quarter 3 made available for use. Some Areas have been very active and encouraged the frontline staff to play a key role in contributing to the daily discussion. Rather than stifle local innovation, Areas have been given the option of developing their own displays based on the standard topics or using the display materials provided. The standard topics are:

- Quality results
- Safety information
- What are we doing well?
- What could we do better?
- Local quality improvement actions

Daily huddles are not fully embedded into business as usual yet and further activities are planned for 2006/07 to support and encourage their use.

## **People Programme**

### **Work Time Listening & Learning (WTLL)**

Work Time Listening and Learning sessions continue to play a critical role in engaging our people through regular dialogue on important local and national issues. The objective is a 30 minute discussion – everyone, everywhere, every week.

Whilst the emphasis is on the local manager and their people to agree items for discussion, WTLL sessions are also used to debate national issues or campaigns. This is achieved via issue specific "Talkabout" packs that provide guidance for how to engage Royal Mail people on different subjects.

Our focus on WTLL continues. Analysis of the results, and the comments made through our employee Have Your Say survey are being used to target activities in specific areas where WTLL is not as effective as in others. The ongoing WTLL facilitation training programme, mentioned in the Quarter 3 report, has begun to see an impact with a 5% increase in perceived usefulness year on year. The frequency of Work Time Listening and Learning is also on an upward trend.

Referred to above, since January 2005 Talkabout packs have been issued to all operational managers, approximately every four to six weeks. Each pack focuses on a significant issue for the organisation, the main objective being to engage front-line staff, informing them of the issues and

taking their feedback. Staff's and managers' feedback is forwarded to relevant people in the Centre so the views of the frontline can be reflected in policy decisions. The main issues are then covered in our Courier newsletter, with feedback from the relevant policy manager – in order to create a dialogue.

Since January 2005 11 Talkabout packs have been issued, and these have included packs on Customers, DIY (Delivering Improvements Yourself) and Protecting the Mail – all of which are focused specifically on our service provision.

### **Frontline Induction Training**

Given a historically high level of attrition amongst new entrants, induction training is being reviewed and updated to ensure it fully meets the needs of new starters. The revised package will be integrated with, and supported by, the Workplace Coach role.

### **Workplace Coaches**

This is a new role being introduced in 2005/6 with the specific objective of supporting and guiding new starters. Trained on adherence to key operational standards, Standard Operating Procedures and Individual Performance Standards, they will assist new starters in complying with our way of working. Coaches will not only promote the definitions of 'how' we do things but also 'why' we do them.

As stated in the report for Quarter 3, following the pilot activity that took place in both South London and Central & South Midlands Areas, phased deployment of Work Place Coaches to all remaining Areas commenced in Quarter 4 with the aim that that coaches will be in place in all units by Quarter 3 2006/7. The full deployment plan has been worked up through Area input and has been shared and agreed with the CWU.

At the time of writing, 290 coaches had been selected and trained and 4 Areas have fully deployed the coaching approach. Further Areas are actively deploying the approach through structured communications and the agreed selection process. These areas are commencing in line with the agreed deployment plan

### **Apprenticeships**

Royal Mail is deploying an Apprenticeship scheme aimed at 16-24 year olds. Apprentices are being recruited internally and externally. Apprentices are supported by Work Place Coaches, NVQ Assessors, training and line managers. The scheme will develop a talent pool for the future and promote long-term careers with Royal Mail with staff closely supported and well trained throughout the Apprenticeship period. The scheme is also helping to reduce sick absence and increase retention in the 16-24 year old population.

As stated in the Quarter 3 report, the first phase of this scheme has now concluded and 150 apprentices have been employed in seven Areas. Phase 2 will see other Areas recruiting Apprentices – so far 11 additional Areas have signed up. Funding is also being sought for Scotland, NI and Wales so that the scheme can be extended into these areas.

Of the 11 Phase 2 Areas, 2 of these have begun taking apprentices in May 2006.

### **“My Development” Managerial training**

Operational Managers are a primary focus for training and development in 2005/6 to help them manage improved adherence to standards and reduction in errors. The “My Development” training course is a 3 day modular programme aimed at Delivery Office Managers (DOMs) and Mail Centre Work Area Managers (WAMs). The course consists of 10 modules or ‘zones’. Two zones, the Key Learning Zones, form a mandatory element of every course: ‘Manpower Planning’ and ‘Feedback to Improve Performance’. The other 8 zones are structured to support the effective deployment of DIY and enable the Territory Director and the Head PODA (People & Organizational Development Advisor) for the Territory, together with the My Development Programme Manager, to configure the content and ensure local issues affecting Quality of Service are addressed.

With the 5 additional courses which took place in Quarter 4, in total 15 My Development courses have been run in 2005/6, at which 1083 Delivery Office Managers and Work Area Managers have received training. This brings the total courses run since pilots took place in Quarter 2 2004/5 to 23, with 1469 managers trained.

In addition, over this time, 110 Mail Centre Managers, Delivery Sector Managers, Mail Centre Shift Managers and Delivery Office Managers have been trained as coaches for the events, and 100 of these have been used as coaches in the 23 courses run.

The DIY zone, mentioned in previous reports, has gone live for inclusion in the list of available course elements.

### **Operational Leadership Development Programme**

In addition to ‘My Development’ there exists a separate programme that has the objective of enhancing capabilities at more senior levels in the management structure. The Operational Leadership Development Programme is aimed at Area Management Teams (and potential AMT members) and Area General Managers (AGMs).

The 2 day masterclasses for AGMs and AMT members on Managing Customers Commercially (run by Cambridge University's Judge Institute of Management) have been well received with positive feedback from both the operational managers and the sales team on how the masterclass has enabled them to work more collaboratively to improve quality to the customer.

As stated in the Quarter 3 report, a masterclass is currently now being developed on Operational Strategy, to assist Areas in translating the current strategy into practice. We intend to run an event in Quarter 1 2006/7. Development interventions are also being scoped out to help equip senior managers with some P&L skills and knowledge.

Activity is also continuing in many Areas regarding the 'hands on' change programme mentioned in previous reports. The programme uses an external organisation to help AMT members identify and work through key changes taking place in their Area. This is being supported by a team of internal consultants, to embed the change.

### **Behavioural Workshops**

Partnership working between managers, union representatives and employees is seen as an important enabler to making key cultural changes in the Areas. It is intended that externally facilitated Behavioural Workshops and support will be made available to each Area Management Team for them to employ with the objective of assessing and understanding the specific behavioural issues that impact on engagement and performance.

Although no further progress has been made in national negotiations with the CWU, since Royal Mail and CWU leaders underwent joint behaviours skills training in Quarter 2, the 'Strategic Involvement' fora that both parties agreed in principle would be established at National, Area and local levels have in fact taken place in some Areas and at a National level, for example in helping to implement the recent national Efficiency Agreement.

### **Resourcing**

The focus on driving down reliance on agency casual staff and improving recruitment and retention of permanent staff continues.

During Quarter 4 this year, of the total hours worked in Royal Mail Operations, the percentage for which agency or Royal Mail casual staff were used remained low at just 1.6%

In addition to this, the ratio of temporary to permanent employees reduced with only 1.4% of Royal Mail staff employed on temporary contracts, a reduction of 0.1% compared with Quarter 3.

### **Attendance Management**

The focus on achieving high levels of employee attendance and thus reducing the adverse impact which absence has on Quality of Service continues. A new Attendance Procedure is being developed in partnership with the Trades Unions and we will continue to incentivise good attendance through internal reward mechanisms.

No further progress has been made in Quarter 4 on reaching an agreement with the CWU regarding a new Attendance Procedure. We continue to encourage operational managers to apply the existing procedure to ensure absence management is as effective as possible.

As mentioned in previous reports, the 'Be in to Win' scheme incentivises good attendance by offering prizes of new cars and shopping vouchers to employees who have not taken sick leave for the qualifying period.

## **Industrial Relations Framework**

Our objective for 2005/6 is to build a stronger relationship with our Trades Union by improving behaviours between managers and representatives. We hope to introduce a new consultation framework that improves industrial relations by pushing accountability and decision making to local level. The initiative includes training on the new framework for all representatives and managers.

While we have not concluded an agreement on a new IR framework, we have been able to make better use of existing arrangements. That has been supported by agreeing and implementing the joint statement with the CWU on 'Moving our Relationship Forward'. The joint statement has put in place involvement meetings at all levels which since Quarter 2 have taken place on a regular and scheduled basis. These enable regular contact and dialogue before problems occur and provide fora for concerns to be raised. We have also been reviewing with the CWU the training support we provide to our local and area officials.

We would still like to replace our existing IR framework with something that better fits current structures and the way we operate. However, the mismatch with the current framework is an irritation rather than a fatal flaw and there is further scope for us to do better within our current framework by filling gaps on local representation, training and effective consultation.

## **Royal Mail Way**

Royal Mail Way is a new long-term approach being implemented in Mail Centres, which is directly related to the objectives of DIY but is being prioritised to key units. The initiative seeks to embed a better way of working through deploying standard tools and techniques, fit for purpose Management Information Systems and an engaged workforce. In essence Royal Mail Way is an acceleration of the DIY way of working for key Mail Centres, mirroring the objectives and deliverables of DIY.

As reported previously, following the completion of Phase 1, the 'Set up and Capability Building' phase, CWU support for Phase 2 to begin was delayed. Phase 2, 'Core Implementation', centres around staff engagement. However, agreement was reached with the CWU during Quarter 2 and in Quarter 3 this phase began in earnest. External consultants have been brought in to provide expertise in Lean Tools and Techniques, increasing skill levels. We plan to use these techniques ourselves in future sites.

Inevitably the delays in commencing Phase 2 have impacted upon the overall timescales of the initiative and the project team are now working to a revised completion date for Phase 4 of May 2006.

Although Royal Mail Way has encountered delays in progressing through the four phases (1: Set up and Capability Building; 2: Core Implementation; 3: Embedding and 4: Sustainment) in the chosen Mail Centre sites, these difficulties have been overcome or worked around and significant benefits have been achieved.

The programme has now delivered training / coaching in leadership and 'lean tools and techniques', with the recipients (operational managers) showing a significant increase in knowledge. This increase in knowledge is beginning to translate into the workplace with front-line employees becoming involved in:

- Establishing standards
- Process Mapping
- Regular and consistent communication – Communication Points, Huddles, Visual Management
- Problem Solving
- Establishing a clean and orderly workplace
- Identifying waste within operations

Each Mail Centre in the programme has a detailed plan of action in place ensuring that the focus remains upon establishing at least one area of excellence – this is referred to as a 'Narrow and Deep' area. The individuals involved in the Narrow and Deep area, joined by core programme resource, will remain as ambassadors for Continuous Improvement thus providing a sustainable approach and residual capability.

### **Pipeline Specific Improvement Activities**

#### **Collections Performance**

Royal Mail made a significant investment in new replacement Access Barcode (ABC) scanners in 2004/5 and the majority of collections now have the benefit of ABC capabilities. Activity is now focused on fully exploiting the ABC system through migration of existing data to the new Collections Management Database (CMD). This is a major task, which involves the cleansing of all collection schedules, in order to ensure that the base data contained within CMD, against which our collections punctuality and reliability is calculated, is accurate and up to date. Nationally this will take some time to complete.

Work has continued in Quarter 4 to migrate individual collection hubs (the majority of which are Delivery Offices) to CMD. Migration has been slower than planned due to a necessary, unanticipated, upgrade to the national servers, to allow swift transfer of data.

In parallel to its implementation, Area workshops have been held to demonstrate to managers how to best use the information generated by the system to performance manage the collection operation. Collection timings have been checked for accuracy in the live environment and where inaccuracies have been identified work is underway to cleanse the data.

#### **Production Management and Control – Workload Scheduling Tool Rollout**

The key components of this strategy are:

- A Production Scheduling Tool that optimises flow and plans capacity;

- A Production Monitor that reviews production in real time; and
- A Time and Resource Management System that manages people information with a direct interface to current/future Human Resources and Finance systems.

The Production Scheduling Tool and the Production Monitor are fully integrated with the Quality Control System (QCS). As part of DIY Work Area Managers will be provided with a hand-held device to capture in-process control data and enable them to interrogate the Production Scheduler and Monitor without leaving the work area.

Deployment of the Production Scheduling Tool and Production Monitor continues as planned, with 22 of the 37 Mail Centres in Phase 1 having received the tools. Roll-out to the remaining Mail Centres in Phase 1 and those in Phase 2 will take place during 2006/7.

Regarding the third tool, the Time and Resource Management System, trials commenced in Leicester Mail Centre and in Swan Delivery Office during Quarter 4. The trials are due to run through to the end of Quarter 1 2006/7, but the initial feedback from operational managers in these sites has been positive.

### **Automation-Utilisation**

To consolidate quality gains and improve efficiency, activity is planned to drive up the utilisation of our existing letter automation assets. The objective is to automate the maximum volume of letters to the maximum level of sortation, i.e. to maximise the volume of mail that is machine sorted to Delivery Walk level.

Deployment of Stacker Box Module (SBM) for IMPeX and NP4000 sorting machines commenced in Quarter 4. This extension plan will increase the capacity of existing sorting machines. This coupled with the continued improvement in sort-plan design and utilisation has shown some increase in the percentages of mail machine-sorted to individual delivery walk level.

The Key Performance Indicator measure for utilisation has been defined ready for deployment. This will eventually replace the interim reporting tools currently being used. Individual plans have been developed for 43 Mail Centres and will be consolidated at the development events that are now ready for deployment.

### **Network Performance Management**

Actions relating to the performance management within the Network are the ongoing monitoring and review of performance via daily conference calls, daily adherence to the "Move to Time" policy, audits of compliance at Mail Centres and Network hubs, and a review of contingency arrangements within the Network.

Performance Management within the network continues in the form of ongoing daily conference calls to monitor and review the previous night's

performance and to identify any fixes/improvements required. All significant failures are subjected to a root cause analysis. Reviews of Network contingency plans are ongoing, in response to events. Overall 1<sup>st</sup> Class Stamped and Metered performance has improved by 2.7% compared to 2004/5, supported by a 4.3% increase in Distant Quality of Service performance.

### **Deployment of Distribution Management System (DMS)**

The Royal Mail road network currently operates on limited information about the whereabouts of vehicles once they are on the road. Electronic data capture of precise vehicle movements, using telemetry, will greatly assist in the management and control of the road network. All large vehicles will be fitted with in-cab communications that will give a real-time view of fleet activity. A database of arrival and departure times at Royal Mail locations and customer collection points will then be used to improve visibility and transparent measurement of vehicle performance. Management will process real-time information giving them the opportunity to optimise routes leading to operational cost savings.

Following successful completion of the trial, the benefits of DMS have been proven and roll-out has commenced. Implementation is being done in four phases, the intention being to ensure that at each stage the benefits of the new system are realised. Minor delays have occurred in deployment to the first phase regions (Midlands and Anglia) due to an extended lead-time for supply of the telemetry equipment and ongoing CWU negotiations. The delays do not affect the achievement of vehicle utilisation benefits. However, we aim to complete implementation in these areas during Quarter 1 2006/7 and for all of our large fleet vehicles to have this technology by end July 2007.

### **Distribution Planning Tool**

Royal Mail is continually reviewing its Network design to ensure we have the most robust and efficient model. Improved planning technology is now available to support this activity. This technology will allow us to plan efficient and consistent vehicle schedules on a national basis.

Work has continued in Quarter 4 producing vehicle schedules using Paragon, the route planning software now available. Initial draft schedules have been completed for 4 regions, and 3 specific units are now beginning to plan deployment. We aim to deploy these first Paragon revised schedules in Quarter 1 2006/7.

### **Double Decker Trailers**

In order to help avoid the bulking out of services and the consequent delay in transporting mail Royal Mail is investing in Double Deck Road Trailers.

Following the successful deployment of 41 Double Decker Trailers in Phase 1 of this initiative, work is progressing on Phase 2, when an additional 42 trailers will join the fleet. The Business Case for resolving site restrictions at the remaining sites planned to use the new trailers has been completed and the spend authorised. Orders have been placed and the building work at these sites has now been completed. The 42 Phase 2 trailers are due delivery by the end of May 2006 with deployment due during Quarter 1 of 06/07. This represents a small delay to the timescales stated in the National QoS plan.

### **Ongoing conveyance of mail by rail**

A decision on the future use of rail as a transport mode was made early in the plan period. The opportunity to trial a new contract with GB Rail Freight was taken in 2004/05 and a one year contract has been put in place with the option to extend this as required. The contract consists of two trains, one northbound from London (Princess Royal Distribution Centre, Willesden) to Scotland (Wishaw) via Warrington (using Royal Mail dedicated rail facilities at each point) and a second train, southbound following the same route. Rail does not offer the opportunity for the scheduled conveyance of standard first class mail because the available time window is too short for distant journeys. The trains are being used to move standard second class mail and some bulk first class items on a scheduled daily basis.

The use of these trains has been, and will be, extended in the event of contingencies, for example bad weather, road closure, terrorist activity and industrial action. Additional trains are also used on a planned basis, for example during the Christmas period and for significant national postings and as a stand by in anticipation of potential disruption to normal network arrangements. However, when we use trains in contingency mode this does not give us reliable next day service for standard first class mail. What it does do is make sure we position any 1<sup>st</sup> Class mail as early as possible to allow a speedy recovery to service as usual once the incident has been resolved.

The significant activity in Quarter 4 was Royal Mail's decision to extend the current rail contract with GB Rail Freight for 2006/7. Having an additional rail option in times of emergency has proved a useful contingency and has been used several times in the last year (for instance when the Buncefield oil depot explosion in December 2005 closed the M1 for a period). Additionally more rail services were employed during the Christmas 2006 operation than the year before, including both pre-planned operations and ad-hoc runs implemented at short notice in reaction to the need for extra capacity on certain routes. The current plan for Christmas 2006 train use reflects the experience of last year, and has thus more pre-planned rail capacity.

To further safeguard robust service achievement, the current Royal Mail rail fleet of 16 Class 316 trains is currently in a rolling process of having all stock fitted with a traction motor enhancement. Coming complete with full 500,000 mile warranty from the supplier, this initiative is expected to impact positively on overall fleet reliability for the foreseeable future.

### **Air Network Review investment programme**

Investment has been allocated to support the Air Network improvements. Activities are focused around addressing known problems or aspects of reliability and building a more robust infrastructure to deal with foreseen problems.

Milestones for this initiative are listed below with progress against them:

- New Air Network management structure: Resourcing and planned implementation of new structure to take place in June / July 2006.

- Provision of Bomb Boxes at key network sites: Although delays have been encountered in agreeing a suitable site for the box, funding is in place to install a Bomb Box at East Midlands Airport and we now expect to deploy this as part of the New East Midlands Hub which is due to open in Oct 06.
- Upgrades and alterations to specific air routes: Reviewed on an ongoing basis, in line with Contract renewals
- Improvements at East Midlands Airport: Work on the new accommodation due to be completed and ready for service in October 2006 is progressing as planned
- Additional handling equipment at key airports: Work continues in replacing/enhancing equipment provision at East Midlands, Edinburgh, Liverpool, and also now Stansted, airports
- New Conveyor Belts and Tugs at Edinburgh and East Midlands Airports: Conveyor belts now scheduled to be deployed by end of May 2006 and Tugs scheduled to be deployed by Oct 06
- Contingency arrangements for closed airport operations: Contingency arrangements are being put in place/ planned to cope with disruption (e.g. runway closure) that will close the Royal Mail operation at the following airports:
  - Stansted Airport            Feb 2006 – Oct 2006
  - Liverpool Airport    Oct 2006 – Mar 2007
  - Bristol Airport            Oct 2006 – Mar 2007

Activities undertaken in Quarter 4:

- Handling Specification: A Handling specification has been drawn up between RM and PAN Aircraft operators, a working document created for Stansted airport at present that, once agreed by all, will be rolled out to all Royal Mail Air Hubs.
- Airport Training Programme: A training package has been implemented at Edinburgh airport following the HSE Improvement Notice received in 2005. The package will be rolled out to all Air Hubs over the next 3-6 months
- Unit Loading Devices (aircraft containers): A robust process on reporting and monitoring damage to containers is being worked on between the 3 major Air Hubs (East Midlands, Edinburgh and Stansted).

### **Bagless Network – Mail Centre flows**

Activity in this area is aimed at reducing the use of bags for both pre-sort and standard tariff mail. A greater use of trays will reduce handling times and help to underpin adherence to our “Move to Time” policy. Further traying will also have the benefit of improving mails hygiene and of reducing the number of accidents and injuries associated with the movement of mailbags.

The trial of the new method begun in November has now been reviewed. The trial has been a success on the basic level that operationally the offices were able to introduce the containerisation of the packet streams without any adverse impact on clearance or costs. However some issues did arise out of the trial, most notably with regard to the impact on capacity within the transport network.

The results of the trial have now been incorporated into the wider packet strategy developed by Processing Design. Modelling by this team has identified costs and operational difficulties associated with both the Network and inward impact and at this stage it is not envisaged that further deployment will take place in the short term.

### **Bagless Network – Mailsort Traying**

Detailed in the Quality of Service plan was an initiative to consider the progressive conversion of Mailsort customers to using trays.

Following a budget prioritisation exercise it was decided to defer consideration of this initiative for the time being but we continue to look for opportunities to improve materials handling and presentation of mail with all our large pre-sort customers on a one to one basis.

### **EU Working Time Directive (Risk Management)**

There are proposals currently under discussion in the European Parliament to widen Working Time Directive legislation to drivers and to remove the current Royal Mail exemption on vehicles carrying postal packets. This will require extensive duty rescheduling to make sure that Royal Mail drivers comply with legislation. The activity in the 2005/6 plan is to prepare for the impact of this legislation by scoping the potential effect on the Network and the Collections operation.

Following completion of the high-level impact assessment, work has continued to develop detailed unit level impact assessments and solutions. 26 of the 39 Vehicle Operating Centres now have draft solutions devised.

Work also continued in Quarter 4 benchmarking solutions used by external companies, with the aim of developing monitoring tools to ensure compliance.

### **7.5 tonne vehicle speed restriction to 56mph (Risk Management)**

Legislation coming into effect on January 1<sup>st</sup> 2008 will restrict the speed of 7.5t vehicles to 56mph. Our current network relies on the speed of

7.5t vehicles (70mph) to meet the connections required in our current network model. The speed restriction will widen the time window required for the network. This will impact upon inward processing capacity and therefore the time at which mail will be made available for delivery. The impact of these speed restrictions on Royal Mail's operation should not be under-estimated and could require significant restructuring of the pipeline. The activity in the 2005/6 plan is to scope the impact of the legislation on the design of the network.

In Quarter 4, the modelling of the changes to our network has been completed and we are now evaluating the Quality of Service impact of various solutions. We have also begun to communicate these changes to Areas so that they can begin the detailed local planning. It is anticipated that the new network design will be implemented in summer 2007.

### **Delivery Best Practice**

The Delivery Best Practice project has a number of key aims - to ensure robust data for the delivery operation, to provide a platform to operate best practice standards on a day to day basis and to drive efficiency savings within units, the focus being on poorer performing units.

As described in previous reports the DBP initiative consists of four tools:- the Indoor Workload Tool (IWT), which measures performance in our indoor operation in Delivery Offices; A+ Online, a system used to gather Delivery Office base data; the Mapping Verification tool, designed to assist in mapping delivery routes; and GeoRoute, a tool that optimises delivery route planning.

We have now fully rolled out an interim version of the Indoor Workload Tool with workshops having been undertaken in all 3 Territories. We are working on a further interim tool to further refine the base data information before developing a longer term strategic measurement tool.

A+ Online has now been fully deployed with all offices using the new system. We are starting now to drive the accuracy of information in this tool and have a 90 day challenge to take this forward starting in the North and West territories.

Mapping Verification and GeoRoute training workshops have now been fully deployed to the North territory and training is well underway in the East and West. We plan to complete this training by the end of September 2006 and will use these tools to drive outdoor efficiencies, whilst monitoring service.

### **Performance Management**

As mentioned above in the introduction to this section, Quality of Service continues to be monitored at every level of the operation and by the Operations Executive on a weekly basis. Issues are flagged up via daily conference calls and dealt with in a timely manner. The National Quality Forum meets on a monthly basis to identify any problem areas in the operational pipeline and decide on appropriate corrective actions that are then assigned to individuals. Progress against the Quality of Service Action Plan is also monitored at these meetings. Any barriers to the completion of specific activities are discussed and decisions made to move things forward. Information is also shared regarding the initiatives in order that members are fully informed and able to assist in supporting the programme.

### **Independent Audit**

Independent audit continues, providing both focus on and support for units with performance or adherence to procedure issues. The approach supports and provides a check of the Self Audit system now in place in units

In 2005/6 the Compliance Audit & Specification (CAS) team has performed 198 Mail Centre audits, 9 RDC audits and 1720 Delivery Office audits.

### **Quality Excellence Taskforce**

The QEX taskforce focuses on deploying good practice learned in high performing Postcode Areas to help improve performance in Areas that are either failing Licence targets or having a significant negative impact on national performance of a specific product.

In preparation for the introduction of the new Postcode Area Delivered by UK standard, the main activities undertaken by the QEX team in Quarter 4 were as follows:

- QEX Interventions (to support Postcode Area achievement) in the following Areas: Coventry, Motherwell, Crewe (Deliveries)
- QEX Interventions (Area Manager Requests) in the following Areas: Northampton, Thames Valley and Gloucestershire Area (Delivery Offices)
- Review of Special Delivery Pipeline (focused on improvement of high impact underperforming units)
- Full review of Door To Door Product Pipeline

## MINIMUM POSTCODE AREA TARGETS

### Review of Results

#### **1<sup>st</sup> Class Stamped and Meter Posted to UK**

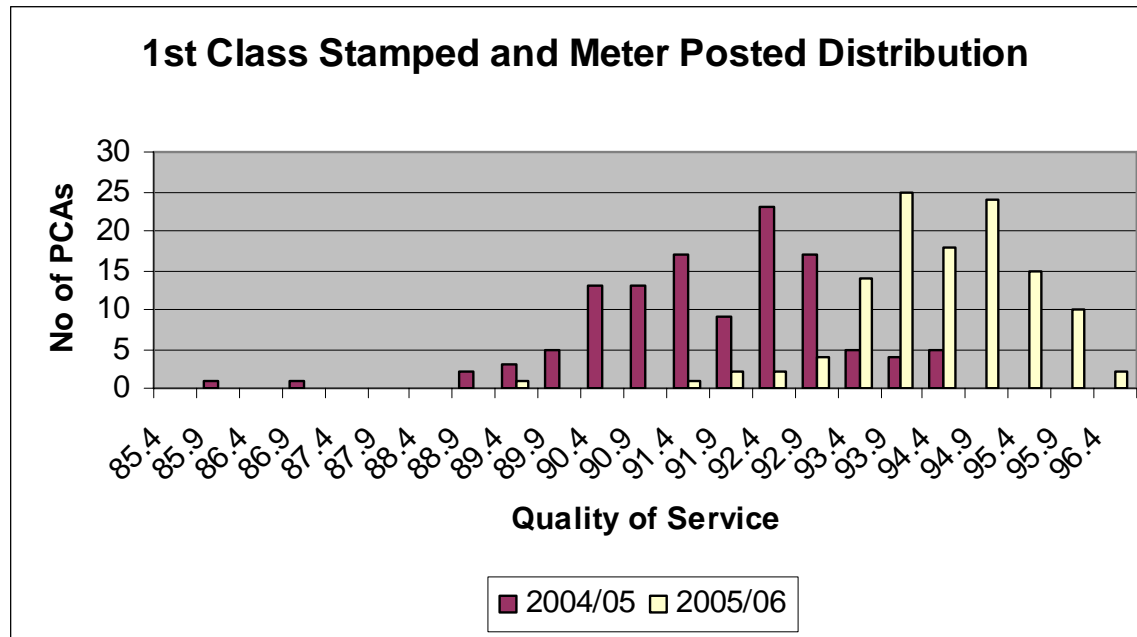
The schedule of minimum service standards requires all Postcode Areas (excluding HS, KW and ZE) to achieve an average performance of at least 91.5% for 1<sup>st</sup> Class Stamped and Meter Posted to the UK throughout the 12 month period ending March 2006, excluding the Christmas and New Year period. Progress against this standard is shown in the table below:

#### Full Year Cumulative Results

Number of Postcode Areas Averaging 91.5% or above for 1 <sup>st</sup> Class Posted Stamped and Meter	
Full Year Cumulative Result	Full Year Cumulative Target
116 of 118	118 of 118

As the table above shows, 116 of 118 Postcode Areas have achieved the minimum full-year service standard of 91.5% for 1<sup>st</sup> Class Posted to UK Stamped and Meter. This is a considerable achievement that represents best on record performance. In 2004/5, 80 Postcode Areas achieved the lower Licence target of 91.0%. This year 116 Postcode Areas have achieved the higher Licence target of 91.5%.

The chart below demonstrates how, not only have more Postcode Areas achieved the minimum floor but that the worst performing Postcode Areas have improved significantly.



The 2 PCAs that have failed to achieve the full-year target are:

1. BT (Northern Ireland)

Actual Result: 91.1% +/-1.3%

The full-year result for BT was materially affected by the Industrial Action in Quarter 4. The cumulative actual performance in Quarters 1-3 was well above target at 92.7% which was 2.0% above the full-year result in the previous year.

2. E (East London)

Actual Result: 89.4% +/-1.5%

East London's result was affected by 3 Force Majeure incidents in the year (the National Distribution Centre closure in March, enforced evacuation in June and the terrorist incidents in July) for which Royal Mail has made formal application for amendment of the result. The impact of the 3 incidents, if accepted by Postcomm, would move the result from 89.4% to 90.4%, and although this is still below the Licence target level, it is a significant improvement on the previous year's result of 86.5%.

## 1<sup>st</sup> Class Stamped and Meter Intra

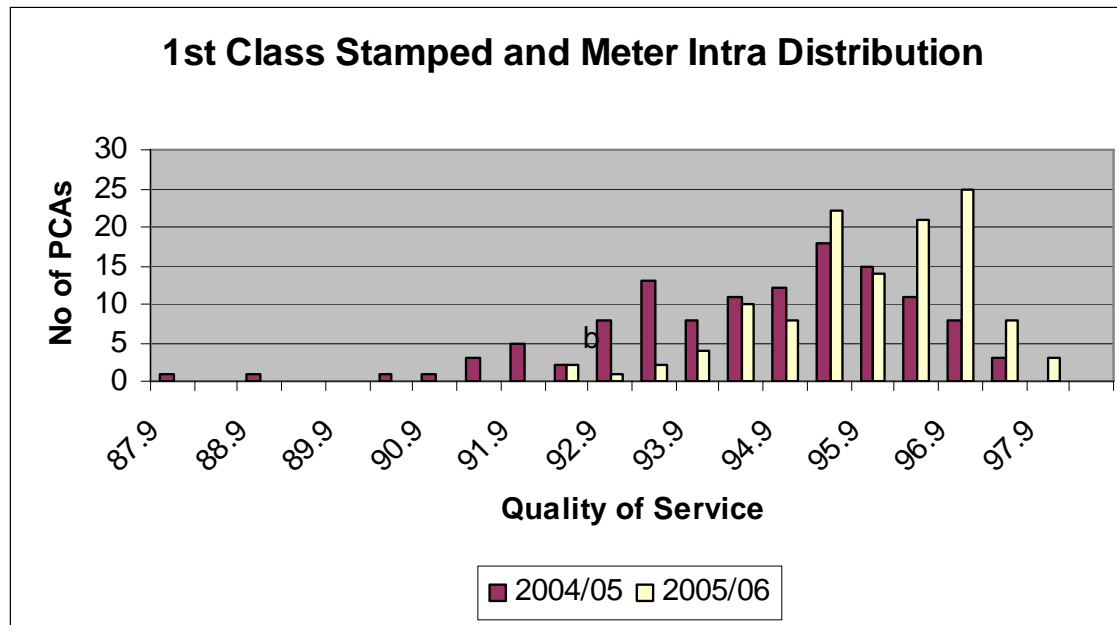
The schedule of minimum service standards requires all Postcode Areas to achieve an average performance of at least 92.5% for 1<sup>st</sup> Class Intra Stamped and Meter throughout the 12 month period ending March 2006, excluding the Christmas and New Year period. Progress against this standard is shown in the table below:

### Full Year Cumulative Results

Number of Postcode Areas Averaging 92.5% or above for 1 <sup>st</sup> Class Intra Stamped and Meter	
Full Year Cumulative Result	Full Year Cumulative Target
119 of 121	121 of 121

As the table shows, 119 of 121 Postcode Areas have achieved the Licence requirement of a minimum of 92.5% performance for 1<sup>st</sup> Class Intra Stamped and Meter. This is the best performance since the beginning of the Licence and, as will be seen below, the 2 failing Postcode Areas were within 0.2% of target level.

The graph below demonstrates that 12 more Postcode Areas have achieved the target in 2005/6 and that the worst performing Postcode Areas have improved significantly.



The 2 PCAs that have failed to achieve the full-year target are:

1. BT (Northern Ireland)

Actual Result: 92.3% +/-1.5%

BT's full-year result was affected by the one-off Industrial Action in Quarter 4. The cumulative result for Quarters 1-3 was comfortably above target at 93.5%, which was an improvement on the previous year's above target result of 92.8%. It is therefore disappointing that the Industrial Action caused BT to fail target by only 0.2%.

2. RM (Romford)

Actual Result: 92.4% +/-2.3%

Romford's full-year result was a mere 0.1% below target level. This is particularly disappointing as performance in Quarters 1 and 2 was well above target at 94.3%. Difficult employee relations issues have affected performance in the second half of the year but these issues are being addressed.

## **2<sup>nd</sup> CLASS STAMPED AND METER**

### Review of Results

#### **Quarterly Results**

Quarter 1 Result	Quarter 2 Result	Quarter 3 Result	Quarter 4 Result	Full Year Cumulative Result	Full Year Cumulative Target
98.6±0.2%	98.8±0.2%	98.9±0.2%	98.9±0.2%	98.8±0.1%	98.5%

#### **Overview**

A result of 98.9% in Quarter 4 has contributed to a full-year cumulative performance of 98.8%, which exceeds the Licence target of 98.5%. 2<sup>nd</sup> Class Stamped and Meter has performed consistently above target in 2005/6, demonstrating the robust improvements made to the transport network and in the Quality focused management of Mail Centres and Delivery Offices. This is the best result on record with an improvement of 0.3% on 2004/5.

#### **National Quality of Service Action Plan - Quarter 4 Update**

2<sup>nd</sup> Class Stamped and Meter continues to benefit from the generic improvement activity detailed in the 1<sup>st</sup> Class Stamped and Meter section of this report.

## **1<sup>st</sup> CLASS POSTAGE PAID IMPRESSION**

### Review of Results

#### Quarterly Results

Quarter 1 Result	Quarter 2 Result	Quarter 3 Result	Quarter 4 Result	Full Year Cumulative Result	Full Year Cumulative Target
91.4±0.3%	92.7±0.3%	91.9±0.3%	92.6±0.3%	92.2±0.1%	91.1%

#### **Overview**

1<sup>st</sup> Class PPI is a major success story for 2005/6. having struggled to perform at target level in the first 4 years of the Licence it has now:

- Beaten the cumulative Licence target by 1.2%
- Performed at target level in every Quarter in 2005/6
- Improved 4.7% on the previous year's result
- Delivered a best on record annual result

#### **National Quality of Service Action Plan – Quarter 4 Update**

A large proportion of the benefits have been driven by the improvement activities described in the 1<sup>st</sup> Class Stamped and Metered section of this report, particularly those relating to network reliability. However, the testing of 1<sup>st</sup> Class PPI items with Quality Test Letters (QTL's) has continued in Quarter 4. Diagnostic reports continue to be provided weekly to all Postcode Areas directly via an electronic database, as well as to Territory Directors and Territory Analysts. A further review is now taking place (May 2006), which will reassess the requirement for maintaining the current levels of testing.

## **2<sup>ND</sup> CLASS POSTAGE PAID IMPRESSION**

### Review of Results

#### Quarterly Results

Quarter 1 Result	Quarter 2 Result	Quarter 3 Result	Quarter 4 Result	Full Year Cumulative Result	Full Year Cumulative Target
96.9±0.5%	97.6±0.4%	97.5±0.4%	97.5±0.4%	97.4±0.2%	97.4%

#### **Overview**

2<sup>nd</sup> Class PPI has achieved its Licence target of 97.4%. We are delighted that, following a below target first Quarter result of 96.9%, subsequent quarterly results have exceeded target level, resulting in a cumulative performance which equals the Licence requirement. This is the first time since the beginning of the Licence that the target has been achieved and is the best annual result on record (since comparable results began in 1995/6. The 2005/6 result is a 1.4% improvement on the previous year.

#### **National Quality of Service Action Plan – Quarter 4 Update**

The improvements in 2<sup>nd</sup> Class PPI performance have been driven by the generic improvement activities described previously plus the diagnostic analysis of performance using Quality Test Letters (QTLs).

## **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	Full Year Cumulative Target
89.2±2.0%	90.8±1.6%	90.2±1.8%	90.3±2.1%	90.1±0.9%	90.8%

#### **Overview**

As stated in previous reports, the Quality of Service plan submitted to Postcomm and Postwatch confirmed that the Licence target level was not realistic for the product specification. For this reason we developed and launched in 2004/5 a new but complementary set of products which give customers a choice. We are still required to measure and monitor the performance of the existing products and report in this document.

The full-year result of 90.1% for 1<sup>st</sup> Class Response Services significantly exceeds the forecast we made in the 2005/6 QoS plan and indeed approaches the Licence target of 90.8%. As described in previous reports, the improvement in performance achieved during 2005/6 is partly the result of a renewed drive to increase the number of old Response Services items being automated and also partly due to migration of customers to the new Response Services Plus products, with a consequent reduction in items requiring manual handling in the Response Service lockers. These initiatives, together with the generic benefits from the improved performance of the transport network, have had a more positive effect on performance than we expected and we are delighted with the result achieved.

The full-year result is a best on record performance and is a significant increase of 9.6% on last year's result.

#### **National Quality of Service Action Plan – Quarter 4 Update**

The improvement plan for 1<sup>st</sup> and 2<sup>nd</sup> Class Response Services continues to deliver benefits.

The migration team continue to work with customers wishing to change from the old Response Service product to the to the new Response Plus products. The stationery buy-back promotion mentioned in previous reports, designed to encourage customers to produce machinable mail, has continued.

This migration to Response Plus has had the effect of reducing the volume of items requiring manual processing in the Response Service lockers in Delivery Offices.

In addition to these activities, work began in Quarter 3 to introduce Quality Test Letters into the 1<sup>st</sup> Class Response Services mail stream and continued into Quarter 4.

## **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	Full Year Cumulative Target
94.9±1.3%	95.9±1.1%	94.7±1.3%	95.8±1.3%	95.3±0.6%	97.5%

#### **Overview**

As with 1<sup>st</sup> Class Response Services, the National Quality of Service plan recognised that the 97.5% cumulative target level was not achievable with the existing product and service specification.

With a full-year result of 95.3% 2<sup>nd</sup> Class Response Services has achieved a result almost 3% higher than we forecast in the 2005/6 QoS plan, having significantly improved its performance throughout the year. This is the best annual result on record (since comparable results began in 1995/6) and is a 1.9% improvement on the previous year.

#### **National Quality of Service Action Plan - Quarter 4 Update**

The generic activities contained in the 1<sup>st</sup> Class Stamped and Meter section and the specific activities described above for 1<sup>st</sup> Class Response Services have supported and will continue to support improvements for this product.

## **SPECIAL DELIVERY**

### Review of Results

#### Quarterly Results

Quarter 1 Result	Quarter 2 Result	Quarter 3 Result	Quarter 4 Result	Full Year Cumulative Result	Full Year Cumulative Target
98.9%	99.0%	98.7%	98.9	98.8%	99.0%

#### **Overview**

Special Delivery has failed to achieve its full-year Licence target, the result of 98.8% falling just 0.2% short of the required level. Although this is a disappointing outcome, it must be seen in the context of what has been a very positive year for the product, performance having improved 0.8% on the 2004/5 result of 98.0%. The commentary below gives a detailed explanation of the actions undertaken throughout the year.

NB. During the period 6-20 February 2006 Royal Mail's services in Northern Ireland were disrupted because of unofficial industrial action. During this period Royal Mail suspended the provision of the Special Delivery service and the acceptance of Special Delivery items posted in Northern Ireland. Consequently, no Special Delivery items from Belfast during this period are included in the annual Quality Of Service results for Special Delivery

#### **National Quality of Service Action Plan - Quarter 4 Update**

Special Delivery volumes have increased significantly over the previous 4 years (33%) and particularly in 2004/5 and 2005/6, demonstrating the popularity of the product.

Year	Volume posted	Increase on previous year
2001/2	54.9m	
2002/3	57.9m	5.5%
2003/4	60.3m	4.2%
2004/5	67.2m	11.4%
2005/6	73.1m	8.8%

Customer confidence with the product is supported by independent research which confirms that in respect of price and service Royal Mail outperforms other carriers.

However, as stated previously, these significant increases in volume have placed pressure on our pipeline capacity for processing these items. We have responded to this in a number of ways:

- Increasing Special Delivery locker space in Mail Centres and Delivery Offices
- Investing in new Track and Trace technology to update and replace existing equipment
- Assigning extra resource to Special Delivery locker operations
- Enhancing the training provided to locker staff
- Producing a weekly report which highlights procedural errors
- Training Area Quality Analysts in how to interrogate the available performance data
- Achieving better segregation and, as a result, prioritisation of Special Delivery items in the event of network disruption e.g. adverse weather
- Enhancing the Special Delivery operational specification and re-publication
- Focusing performance management on both quality of service and procedural matters that impact on measured quality of service and confirmation of delivery
- Amending the Special Delivery barcode documentation and communicating via dedicated correspondence and making these critical documents available on demand via publication on our internal Intranet.
- Reviewing the audit compliance criteria and including “more searching” audit questions in the audit

Many of the actions above were undertaken as part of the Special Delivery Uplift Programme, which was launched in Quarter 3 2004/5, and these have resulted in the improved results achieved this year. Work continues in these areas, and others, to tackle issues affecting performance and will continue into 2006/7.

In addition, in Quarter 4, the Quality Excellence team audited compliance in units with the highest negative impact on Special Delivery performance.

It should also be noted that some of the reported shortfall against target is not because due service was not achieved but rather because we failed to properly record service achievement. This has been explained in previous quarterly reports. We continue to address this through training, communications and tight performance management.

## **STANDARD RETAIL PARCELS**

### Review of Results

#### Quarterly Results

Quarter 1 Result	Quarter 2 Result	Quarter 3 Result	Quarter 4 Result	Full Year Cumulative Result	Full Year Cumulative Target
91.2±1.0%	92.8±0.9%	91.3±0.9%	92.8±1.0%	92.0±0.5%	90.0%

#### **Overview**

With a full-year cumulative result of 92.0%, Standard Parcels has achieved its target, exceeding the Licence requirement by a full 2.0% and 2.3% higher than the result for 2004/5. The excellent Quarter 4 result of 92.8% completed a series of above-target level results achieved throughout 2005/6.

#### **National Quality of Service Action Plan - Quarter 4 Update**

We continue to monitor the performance of Standard Parcels, as per the action stated in the 2005/6 QoS Plan, identifying and addressing any weaknesses.

**Table 4.**

**Pre-sort Products**  
**Actual Cumulative Results (Period 1 – Period 12 2005/06)**

Standard	Scheduled Standards		
	Full Year Target	Period 1-12	95%
	%	%	cl
Mailsort 1	91.5	94.1	1.4
Mailsort 2	97.5	98.7	0.4
Mailsort 3	97.5	99.5	0.3
Presstream 1	91.0	94.3	0.4
Presstream 2	97.5	98.5	0.7

95% cl = 95% confidence limit

## **MAILSORT 1**

### Review of Results

#### Quarterly Results

Quarter 1 Result	Quarter 2 Result	Quarter 3 Result	Quarter 4 Result	Full Year Cumulative Result	Full Year Cumulative Target
94.9±3.1%	93.5±2.8%	93.4±2.8%	94.9±2.4%	94.1±1.4%	91.5%

#### **Overview**

A Quarter 4 result of 94.9% has helped to secure a full-year result of 94.1% for Mailsort 1. This result is 2.6% above the Licence target, 3.0% higher than the previous year and the best annual result on record for the product. Mailsort 1 has now maintained an above target-level performance since Quarter 2 of 2004/5.

#### **National Quality of Service Action Plan – Quarter 4 Update**

Given Mailsort 1's consistent above target level performance, no product specific national improvement activities have been conducted during Quarter 4. However, a number of generic pre-sort activities have been undertaken in Regional Distribution Centres during the quarter and these are listed below:

During Quarter 4 the following activities have taken place:

- Daily Network conference calls which result in drill down on any Quality failures to identify root cause and to ensure corrective action is taken - Continuing
- Daily Self Audits taking place at all Regional Distribution Centres (RDCs) – Continuing
- Missort monitoring taking place in all RDCs and corrective actions being identified - Continuing
- Robust Manpower plans employed - Continuing
- Analysis of any Quality failures from End to End survey results - Continuing
- Mails Verification teams and Customer Operations Managers checking and working with customers to ensure Customer compliance - Continuing
- Shift production meetings to highlight and feedback on performance re missorts and Out Of Course (OOC) mails - Continuing
- Liaison with UK Letters Quality teams to identify and tackle Quality issues - Continuing
- Standard Operating Procedures – following successful trials, SOPs have been rolled out and managers are assessing compliance to the

standards

- Hi-visibility cage cards being introduced (following trials) and arrivals monitored on distance mails to reduce OOC incidents
- Cross functional meetings to improve vehicle running to time performance - Continuing
- Delivering Improvements Yourself (DIY) - In-Process measurement. A trial has begun at the National Distribution Centre (Daventry) of this system of self-measurement, focusing staff on quality and conformance to standards
- Delivering Improvements Yourself (DIY) - Measurement & display boards. Notice boards giving details of Out of Course mails & Missorts to enhance communications cascade to sorting staff on weekly / monthly basis.

## **MAILSORT 2**

### Review of Results

#### Quarterly Results

Quarter 1 Result	Quarter 2 Result	Quarter 3 Result	Quarter 4 Result	Full Year Cumulative Result	Full Year Cumulative Target
98.5±0.9%	98.7±0.8%	98.7±0.7%	98.9±0.8%	98.7±0.4%	97.5%

#### **Overview**

An excellent 98.9% in Quarter 4 completed a year in which performance has consistently been above the Licence target level. Overall, 98.7% for the year is a 1.2% above the Licence target, 1.4% higher than in 2004/5 and the best annual result on record (since comparable results began in 1995/6).

#### **National Quality of Service Action Plan - Quarter 4 Update:**

Given the above target level performance of this product, no unique improvement activities were identified or deployed during Quarter 4. The product has benefited from the generic improvement activities detailed in the 1<sup>st</sup> Class Stamped and Meter section and the specific RDC related activities in the Mailsort 1 section of this report.

## **MAILSORT 3**

### Review of Results

#### Quarterly Results

Quarter 1 Result	Quarter 2 Result	Quarter 3 Result	Quarter 4 Result	Full Year Cumulative Result	Full Year Cumulative Target
99.4±0.7%	99.6±0.5%	99.4±0.6%	99.6±0.6%	99.5±0.3%	97.5%

#### **Overview**

Mailsort 3 has exceeded its full-year target by 2.0%, the result of 99.6% in Quarter 4 completing what has been a superb year of performance for this product. This is also a 1.2% improvement on last year and the best annual result on record (since comparable results began in 1995/6).

#### **National Quality of Service Action Plan - Quarter 4 Update:**

Mailsort 3 has performed above Licence target level since Quarter 2 of 2004/5 and, as such, no product specific improvement activities have been identified. As with other pre-sort products, Mailsort has benefited from both the generic improvement activities identified in the 1<sup>st</sup> Class Stamped and Meter section of this report and the RDC specific activities underway, explained in the Mailsort 1 section of the report.

## **PRESSTREAM 1**

### Review of Results

#### Quarterly Results

Quarter 1 Result	Quarter 2 Result	Quarter 3 Result	Quarter 4 Result	Full Year Cumulative Result	Full Year Cumulative Target
93.2±0.9%	94.8±0.7%	94.3±0.7%	94.8±0.7%	94.3±0.4%	91.0%

#### **Overview**

With a result of 94.8% for Quarter 4 contributing to a full year result of 94.3%, Presstream 1 has exceeded its target of 91.0% by 3.3%. We are delighted with this excellent result, which is 3.9% better than last year and the best annual result on record (since comparable results began in 1995/6).

#### **National Quality of Service Action Plan - Quarter 4 Update**

Tracking the increased performance of both 1<sup>st</sup> Class Stamped and Meter and Mailsort 1, Presstream 1 continues to benefit from the improvement activities for these products that are described in separate sections of this report.

## **PRESSTREAM 2**

### Review of Results

#### Quarterly Results

Quarter 1 Result	Quarter 2 Result	Quarter 3 Result	Quarter 4 Result	Full Year Cumulative Result	Full Year Cumulative Target
98.8±1.3%	97.7±1.7%	98.8±1.1%	98.7±1.3%	98.5±0.7%	97.5%

#### **Overview**

Following a result of 98.7% in Quarter 4, Presstream 2 has achieved a full year cumulative result of 98.5% and has therefore exceeded its Licence target by a full 1%. The full-year result is 1.0% higher than in 2004/5 and the best on record (since comparable results began in 1995/6). The product has performed consistently well, and above target, throughout the year.

#### **National Quality of Service Action Plan - Quarter 4 Update:**

Presstream 2 benefits from the generic improvement actions contained in the 1<sup>st</sup> Class Stamped and Meter section of this report and the RDC specific actions as described in the Mailsort 1 section.

## Table 5.

### TAIL OF MAIL

The tail of mail measure quantifies the percentage of mail delivered within 3 days of the due service for each of the letter mail services covered in the report.

The table below summarises full year cumulative tail of mail performance by product.

Standard Tail of Mail	Period 1 - 12
1 <sup>st</sup> Class Stamped and Meter	99.8
2 <sup>nd</sup> Class Stamped and Meter	99.9
1 <sup>st</sup> Class PPI	99.5
2 <sup>nd</sup> Class PPI	99.5
1 <sup>st</sup> Class Response Services	99.3
2 <sup>nd</sup> Class Response Services	99.2
Mailsort 1	99.9
Mailsort 2	100.0
Mailsort 3	100.0
Presstream 1	99.9
Presstream 2	100.0
Standard Retail Parcels	97.8

**Table 6.**

**Scheduled Service Standards National Products  
Actual Quarter 4 Results (Period 10 - Period 12 2005/06)  
(03/01/2006 - 19/03/2006)**

Standard	Scheduled Standards			Tail of Mail		
	Target %	Quarter 4 Actual %	Quarter 4 95% cl	Target %	Quarter 4 Actual %	Quarter 4 95% cl
1st Class Stamped & Meter All	93.0	94.2	0.2	99.9	99.8	0.0
2nd Class Stamped & Meter All	98.5	98.9	0.2	99.9	99.8	0.0
1st Class Postage Paid Impression	91.1	92.6	0.3	99.9	99.6	0.0
2nd Class Postage Paid Impression	97.4	97.5	0.4	99.9	99.4	0.1
1st Class Response Services	90.8	90.3	2.1	99.9	99.3	0.1
2nd Class Response Services	97.5	95.8	1.3	99.9	98.9	0.1
Special Delivery	99.0	98.9	#	99.9	100.0	#
All PCAs (except 3) To Achieve 91.5 For 1 <sup>st</sup> Class Stamped And Metered Posted To UK	118	113				
All PCAs To Achieve 92.5 For 1 <sup>st</sup> Class Stamped And Metered Intra Postcode Area	121	116				
Mailsort 1	91.5	94.9	2.4	99.9	99.9	0.1
Mailsort 2	97.5	98.9	0.8	99.9	99.9	0.1
Mailsort 3	97.5	99.6	0.6	99.9	100.0	0.1
Presstream 1	91.0	94.8	0.7	99.9	99.8	0.0
Presstream 2	97.5	98.7	1.3	99.9	99.8	0.1
Standard Retail Parcels	90.0	92.8	0.7	99.9	98.6	0.3

# Product subject to continuous sampling (confidence limit inapplicable)

95% cl = 95% confidence limit

Target – Target is full-year cumulative

**Table 7.****Actual Period Results (Period 12 2005/06)  
13th February - 19th March 2006**

Standard	Period 12 Actual %	Period 12 c/l %
1st Class Stamped & Meter All	93.8	0.3
2nd Class Stamped & Meter All	98.7	0.3
1st Class Postage Paid Impression	91.9	0.5
2nd Class Postage Paid Impression	97.2	0.6
1st Class Response Services	89.4	3.3
2nd Class Response Services	94.5	2.3
Special Delivery	98.9	#
Mailsort 1	94.4	3.8
Mailsort 2	98.5	1.3
Mailsort 3	99.5	0.9
Presstream 1	94.0	1.1
Presstream 2	98.0	2.4
Standard Retail Parcels	91.8	1.1

# Product subject to continuous sampling (confidence limit inapplicable)

**Table 8.****Licence Condition 5.6 – Complaints Report****Q4 Report – 5.6 (a), 5.6 (b) (i), (iii)**

Royal Mail	Unresolved at Start	Received in Quarter	Resolved in Quarter	Unresolved at End	Recompense £
TOTAL Complaints	72,059	372,118	376,865	22,567	3,554,803
Loss	63,748	175,273	177,728	14,153	2,647,199
Mis-Delivery	728	36,109	36,200	908	12,098
Redirection Failure	1,770	34,609	35,451	1,700	81,910
Delay	681	28,852	29,162	779	18,065
Delivery Procedures	1,255	23,418	24,090	984	191,668
Damage	944	15,479	15,748	1,162	253,680
Delivery Frequency	198	8,733	8,763	239	380
RM Policy	224	4,861	4,941	259	58,708
Part Loss	354	4,579	4,673	271	16,433
Other Complaints	2,157	40,205	40,109	2,112	274,661

**Q4 Report – 5.6 (b) (ii)**

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

Royal Mail

79.1%

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

95.0%