



Office of Utility Regulation

## **Guernsey Post Limited: Quality of Service**

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### Information Notice

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**Office of Utility Regulation**  
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# Information Notice

## Contents

1	Introduction.....	2
2	Background.....	2
2.1	Legislation & Licensing.....	2
2.2	States Policy.....	2
2.3	GPL's Licence Conditions.....	3
3	Amended Quality of Service Direction.....	4
3.1	QoS1 Targets.....	4
3.2	QoS 2 Targets.....	5
3.3	QoS 3 Targets & Indicators.....	6
3.4	Monitoring and Reporting.....	7

# 1 Introduction

In July 2005 the Director General of Utility Regulation (“DG”) issued a Direction (OUR 05/16) to Guernsey Post Limited (“GPL”) in relation to quality of service (“QoS”) targets through to September 2009.

At that time the targets were set in alignment with GPL’s financial year which was October to September. However GPL has since amended its financial year to April to March and the DG therefore considers it appropriate and sensible to realign the current QoS targets with the company’s financial reporting timetable. This Information Notice simply updates that original direction and realigns the QoS targets with GPL’s own year end.

## 2 Background

### 2.1 Legislation & Licensing

The Post Office (Bailiwick of Guernsey) Law, 2001 (the “Postal Law”) and the Regulation of Utilities (Bailiwick of Guernsey) Law, 2001 (the “Regulation Law”) together provide the legislative basis for the regulation of postal services in Guernsey and the relevant provisions are referenced in this section. Copies of the legislation are available on the OUR website at [www.regutil.gg](http://www.regutil.gg).

The Laws provide for the DG to specify the conditions to be included in a licence issued under the Postal Law. The relevant licence conditions are described in Section 2.3 below.

### 2.2 States Policy

The Regulation Law provides for the States of Guernsey to issue States Directions to the DG in relation to:

- the scope of the universal service that should be provided in the postal sector in the Bailiwick;
- the extent of any exclusive privileges or rights in the postal sector;
- the identity of the first licensee in the postal sector; and
- any obligations arising from international agreements.

In September 2001, the States issued Directions that required the DG to issue the first licence to provide universal services to GPL. At the same time the States set out the universal service obligation that should be imposed on GPL which is:

*“... throughout the Bailiwick of Guernsey at uniform and affordable prices, except in circumstances or geographical conditions that the Director General of Utility Regulation agrees are exceptional:*

- *One collection from access points on six days each week;*
- *One delivery of letter mail to the home or premises of every natural or legal person in the Bailiwick (or other appropriate*

*installations if agreed by the Director General of Utility Regulation) on six days each week including all working days;*

- *Collections shall be for all postal items up to a weight of 20Kg;*
- *Deliveries on a minimum of five working days shall be for all postal items up to a weight of 20Kg;*
- *Services for registered and insured mail.”*

Having specified the universal service, the States directed that GPL should be provided with the exclusive right to provide reserved services insofar as this is needed to enable and ensure the universal postal service is delivered. The relevant States Direction states:

*“The Regulator shall reserve services to be exclusively provided by the Universal Service Provider to the extent necessary only to ensure the maintenance of universal service, and shall review and revise the reserved services from time to time with a view to opening up the Guernsey postal market to competition consistent with the need to maintain the Universal Service”.*

Thus States policy on the universal service and the degree of competition in the postal market was set out in September 2001. The full text of these directions is available on the OUR’s website ([www.regutil.gg](http://www.regutil.gg)) in document OUR 03/08.

### **2.3 GPL’s Licence Conditions**

Following these States Directions, on 1<sup>st</sup> October 2001 the DG issued a licence to GPL to provide postal services in the Bailiwick. The terms and conditions in that licence were finalised following a public consultation<sup>1</sup>. Respondents to the consultation in 2001 agreed that including a condition to safeguard service quality was necessary although it was noted that because of the geographical constraints and the small size of the Bailiwick, a high proportion of mail services is reliant on the input of operators outside GPL’s control and consequently this factor should be borne in mind when developing service levels.

A specific condition (Condition 14.8) was included in GPL’s licence in relation to the implementation and monitoring of service levels and targets<sup>2</sup>:

*“The Licensee shall comply with any directions issued by the Director General from time to time, regarding any quality of service indicators and measurement methods for Postal Services and shall, as and when required, supply to the Director General in a form specified by her, the results of its measurements of actual performance against any quality of service indicators and measurements so specified and the Director General may publish or require publication of such information as she considers appropriate.”*

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<sup>1</sup> Document OUR 01/05 – Postal Licence Conditions, Consultation Paper and Document OUR 01/15 – Postal Licence Terms and Conditions – Decision Notice and Report on the Consultation

<sup>2</sup> Document OUR 01/20 Postal Licence Conditions

The licence condition provides an enabling mechanism which allows the DG to set a range of quality of service targets, and provides a framework to ensure that the DG receives sufficient information from the licensee to monitor whether the company's performance meets the targets set.

### 3 Amended Quality of Service Direction

In accordance with Condition 14.1 of Guernsey Post Limited's licence issued under the Post Office (Bailiwick of Guernsey) Law, 2001, the Director General hereby Directs Guernsey Post Limited to;

- meet the targets set out in this section 6 for the quality of service indicators specified in this section; and
- report to the Director General and publish results as specified in this section 6.

#### 3.1 QoS1 Targets

##### ***Intra Bailiwick Mail***

GPL is required to achieve the following targets for Intra Bailiwick standard mail for the following time periods:

<b>J+n</b>	<b>Apr 07 – Mar 08</b>	<b>Apr 08 – Mar 09</b>	<b>Apr 09 – Mar 10</b>
J+1	95%	95%	95%
J+3	99%	99%	99%

(where **J** represents the date of deposit and **n** the number of working days which elapse between that date and delivery to the addressee).

##### ***Jersey to Bailiwick Mail***

GPL is required to report on its performance against the following targets for Jersey to Bailiwick standard mail for the following time periods:

<b>J+n</b>	<b>Apr 07 – Mar 08</b>	<b>Apr 08 – Mar 09</b>	<b>Apr 09 – Mar 10</b>
J+1	82%	84%	85%
J+3	97%	97%	97%

##### ***UK to Bailiwick Mail***

GPL is required to report on its performance against the following targets for UK to Bailiwick first class mail for the following time periods:

<b>J+n</b>	<b>Apr 07 – Mar 08</b>	<b>Apr 08 – Mar 09</b>	<b>Apr 09 – Mar 10</b>
J+1	81%	82%	83%
J+3	97%	97%	97%

### ***Bailiwick to Jersey Mail***

GPL is required to report on its performance against the following for Bailiwick to Jersey standard mail for the following time periods:

<b>J+n</b>	<b>Apr 07 – Mar 08</b>	<b>Apr 08 – Mar 09</b>	<b>Apr 09 – Mar 10</b>
J+1	85%	87%	88%
J+3	97%	97%	97%

### ***Bailiwick to UK Mail***

GPL is required to report on its performance against the following targets for Bailiwick to UK standard mail for the following time periods:

<b>J+n</b>	<b>Apr 07 – Mar 08</b>	<b>Apr 08 – Mar 09</b>	<b>Apr 09 – Mar 10</b>
J+1	81%	82%	83%
J+3	97%	97%	97%

### ***Sorted Bulk Mail from Bailiwick to UK***

GPL is required to report on its performance against the following targets for sorted bulk mail from the Bailiwick to the UK for the following time periods:

<b>J+n</b>	<b>Apr 07 – Mar 08</b>	<b>Apr 08 – Mar 09</b>	<b>Apr 09 – Mar 10</b>
J+3	Targets to be covered by individual Service Level Agreements between GPL & Bulk Mailer		
J+5			

### ***Unsorted Bulk Mail from Bailiwick to UK***

GPL is required to report on its performance against the following targets for unsorted Bulk Mail from the Bailiwick to the UK for the following time periods:

<b>J+n</b>	<b>Apr 07 – Mar 08</b>	<b>Apr 08 – Mar 09</b>	<b>Apr 09 – Mar 10</b>
J+3	Targets to be covered by individual Service Level Agreements between GPL & Bulk Mailer		
J+5			

## **3.2 QoS 2 Targets**

GPL is required to achieve the following targets for the internal processing of mail items:

<b>Inward Mail</b>	<b>Apr 07 – Mar 08</b>	<b>Apr 08 – Mar 09</b>	<b>Apr 09 – Mar 10</b>
1 <sup>st</sup> Class mail ( <b>D<sub>i</sub>+0</b> )	98%	99%	99%
1 <sup>st</sup> Class mail ( <b>D<sub>i</sub>+1</b> )	99%	99%	99%
2nd Class mail ( <b>D<sub>i</sub>+0</b> )	98%	99%	99%
Mailsort 1 & Presstream 1 ( <b>D<sub>i</sub>+0</b> )	98%	99%	99%
Mailsort 2 and Presstream 2	99%	99%	99%

	<b>(D<sub>i</sub>+3)</b>			
	Mailsort 3 <b>(D<sub>i</sub>+6)</b>	99%	99%	99%
<b>Outward Mail</b>				
	All mail <b>(D<sub>o</sub>+0)</b>	98%	99%	99%

Where:

**D<sub>i</sub>** is the time of receipt by GPL at Envoy House and **n** is the days to clearance to the delivery postman<sup>3</sup>; and

**D<sub>o</sub>** is the latest collection time from any facility and **n** is the time taken for it to be at Guernsey Airport or harbour ready for transportation to either Jersey or the UK mainland.

GPL is required to monitor and record the number of “shut outs” at the airport and harbour in its six monthly QoS reports.

### **3.3 QoS 3 Targets & Indicators**

#### ***Misdeliveries***

GPL is required to monitor and record the misdelivery of correctly addressed mail. Whilst no targets have been set at the current time, GPL must ensure that as a minimum, quality does not deteriorate over time and that GPL takes steps to improve the quality of service in this regard over time. The Director General reserves the right to set formal targets in the future.

#### ***Completion of Rounds***

GPL is required to monitor and record its performance with respect to completing delivery rounds which GPL has stated, in its Customer Charter, will be done by 1pm each day.

#### ***Complaint handling***

GPL is required to acknowledge 99% of all complaints within two working days of being received and logged by the company. GPL is required to monitor and record its performance against this target.

GPL is required to resolve 95% of all complaints within 10 working days. GPL is required to monitor and record its performance against this target.

#### ***Post Boxes***

GPL is required to monitor and record the clearing of post boxes in accordance with advertised collection times. The Director General reserves the right to set formal targets in the future.

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<sup>3</sup> i.e. **D<sub>i</sub>+0** means processed and cleared to delivery postman on the day of receipt.

### ***Private Boxes***

GPL is required to monitor and record the opening of private boxes each day. The Director General reserves the right to set formal targets in the future.

### ***Redirection of Mail***

GPL is required to monitor and record the number of complaints regarding the redirection of mail. Whilst no targets have been set at the current time, GPL must ensure that as a minimum quality does not deteriorate over time and that GPL takes steps to improve the quality of service in this regard over time. The Director General reserves the right to set formal targets in the future.

## ***3.4 Monitoring and Reporting***

GPL shall submit to the OUR six monthly reports on its performance with respect to each of the QoS indicators within one month of the end of the reporting period in a format acceptable to the Director General.

GPL shall publish its performance for each six month period starting on 1<sup>st</sup> April 2007 within one month of the end of the reporting period and the report shall be in a format acceptable to the Director General.

GPL shall submit to the OUR an annual return for the previous 12 months demonstrating compliance with each of the specified targets for each of the specified quality of service indicators. In accordance with international best practice, the minimum targets with respect to 6.1 to 6.3 above are to be achieved on average throughout the 12 months ending 31<sup>st</sup> March in each of the years shown, excluding the Christmas and New Year period. The return shall be submitted within one month of the end of GPL's financial year (31<sup>st</sup> March) in a format acceptable to the Director General.

The Director General may require that GPL's measurement systems and reports are subject to independent audits from time to time.

/ENDS