



# Revision to the Quality of Service Targets for Postal Services in Jersey

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## Consultation & Initial Notice

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## **Executive summary**

In March 2013 the JCRA published CICRA 13/12, which set out quality of service (“QoS”) measures for Jersey Post Limited and the business reports annually on its performance against the targets set in that decision. In particular this required the company to report against a number of criteria on its performance in the delivery of postal services locally, and to and from the UK, Guernsey and Isle of Man.

Jersey Post (JP) has identified and brought to CICRA’s attention a concern with the measurement and reporting of its performance in delivering post from the UK and Isle of Man to Jersey. JP has not been able to meet its target for next day delivery for this category of mail from the UK in 2013 and 2014 and relies on a third party.

Given JP’s view that performance in this specific area is not something which JP can reasonably control, it has requested a reconsideration of its quality of service measures and proposed an amendment to take account of this concern.

In this initial notice, CICRA proposes withdrawing the formal performance target for JP for next day delivery of mail from the UK, and retaining the three day target. However it is proposed that JP would be required to continue to monitor and report its performance figures for next day delivery without a formal service target.

## Introduction

### 1.1 Background

A set of formal quality of service (“QoS”) measures and targets were put in place through an Initial Notice and Direction to Jersey Post Limited (JP) in CICRA 13/12<sup>1</sup> published in March 2013. This Initial Notice took effect in April 2013.

### 1.2 Current Quality of Service measures

The QoS measures against which JP’s performance is measured and for which performance targets are set include the delivery of postal services locally, and to and from the UK, Guernsey and Isle of Man, with both next day and three day delivery targets. In addition to standard mail, JP is required to also monitor special delivery services, bulk mail and the quality of its internal operations.

As well as these performance measures, JP is required to monitor and report on its response to complaints, and to monitor the extent of any mis-deliveries by its staff. The service targets were issued in a formal direction to JP under condition 15.7 of its Licence and set out in part B of CICRA 13/12.

Copies of JP’s Quality of Service Reports for 2013 and 2014 are published on CICRA’s website<sup>2</sup>, [www.cicra.je](http://www.cicra.je), and available for inspection.

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<sup>1</sup> CICRA 13/12, March 2013, <http://www.cicra.gg/files/CICRA%201312.pdf>

<sup>2</sup> CICRA 14/67: Jersey Post Quality of Service Report 2013; and CICRA 15/18 Jersey Post Quality of Service Report 2014; at [http://www.cicra.gg/media\\_centre/publications\\_sector.aspx?sector=2](http://www.cicra.gg/media_centre/publications_sector.aspx?sector=2).

## Targets and performance

### 2 Concerns with meeting targets and performance

JP wrote to CICRA in March 2015, highlighting concerns over its ability to meet the quality of service targets for mail posted from the UK/IoM and delivered to Jersey.

This target is affected by any aircraft delays or cancellations due to technical failure or bad weather or in the event of “short loads” where more mail is sent than can be delivered on the aircraft. JP’s targets for this measure are to achieve 82% delivery next day and 97% delivery within three days. It was unable to achieve the first of these targets in 2013, with 29 such delays or short loads, or in 2014 with 59 such incidents. In both cases it did meet or exceed the 3 day target.

	<b>Cancellations, delays &amp; short loads</b>	<b>Next day delivery performance<sup>3</sup></b>	<b>Target</b>
<b>2013</b>	29	73.2%	82%
<b>2014</b>	57	69%	82%

JP noted that its commitment to delivering on time against the QoS measures was supported by its achievement of the d+3 targets and by its achievement of 97.5% against the next day delivery target for mail posted and delivered locally in Jersey, where the delivery chain is within its full control.

JP also commented that Royal Mail, which is responsible for transferring post from UK/IoM to aircraft for Jersey, does not have any specific performance targets imposed by the UK postal regulator (Ofcom) for this aspect of its service and this compounds the problem for JP.

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<sup>3</sup> Next day delivery means next working day (excluding Sundays, Bank holidays)

## Proposed Changes

### 3 Proposed revisions to service targets

CICRA has carefully considered the representation from Jersey Post and accepts that a significant element of the performance in delivery from the UK and Isle of Man is outside JP's direct control.

Given that JP has demonstrated its commitment to timely delivery with its achievement of next day delivery targets local post and in meeting the three day target, CICRA proposes that the formal service target for next day delivery of post from the UK and Isle of Man is therefore removed from JP's formal service targets but the three day target of 97% is retained.

CICRA notes however that the delays cited by JP alone do not appear to entirely account for JP's performance levels against the next day delivery target. This suggests there is arguably some scope to mitigate the effect of such delays and short loads and therefore improve its performance against this quality of service measure. CICRA would therefore wish to ensure that JP maintains an incentive to mitigate such delays and proposes that JP continues to be required to publish its performance in delivery from the UK and Isle of Man.

This proposal will need to be implemented through a new or revised direction from the JCRA to Jersey Post and therefore CICRA is consulting more widely on the proposed change and its impact on stakeholders.

JP has not raised concerns over any of its other QoS performance targets and CICRA does not propose to make any other amendment to the targets.

## Consultation

### 4 Consultation with stakeholders

CICRA wishes to consult with stakeholders and interested parties on its proposed amendment to JP's service target above. In consulting on this proposal CICRA is seeking views from respondents on whether they:

- (i) Agree with the proposed change to JP service targets;
- (ii) An alternative target should be imposed; and if so, what should the alternative target be
- (iii) If an alternative target is proposed, how, if at all, should the target take account of matters – such as delays or cancellations in aircraft deliveries to Jersey – which are outside the control of Jersey Post?

Responses to this consultation should be submitted in writing to the address below, or preferably by email to [info@cicra.je](mailto:info@cicra.je).

JCRA  
2<sup>nd</sup> Floor Salisbury House  
1-9 Union Street  
St Helier  
Jersey  
JE2 3RF

The deadline for responses is **5.00pm on 11 June 2015**.

All comments should be clearly marked: ***“Jersey Post QoS CICRA15/23”***.

The JCRA's normal practice is to publish responses to consultations on its website. It should be clearly marked if any part of a response is held to be commercially confidential.

## Conclusion

### 5 Next Steps

As set out above there is an opportunity for interested parties to respond and to comment on this initial notice. CICRA will carefully consider the responses it receives and take into account any comments received. If no responses are received, this initial notice will take effect 29 days after publication, on 12 June 2015.

If CICRA intends to go ahead with amendments to the service targets it will publish a further initial notice and direction to Jersey Post Limited (under Licence Condition 15.7) with the revised service target, and subsequent final notice if required.

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## ANNEX 1: Legal Background and licensing framework

### Legal Background

The *Postal Services (Jersey) Law 2004* (the Postal Law) provides that the JCRA may include in licences such conditions as the Authority considers necessary or desirable or issue directions to postal operators.

A copy of the postal service law is available on CICRA's website, [www.cicra.je](http://www.cicra.je).

### Licensing framework

Jersey Post Limited holds a Class II postal operator licence which carries a Universal Service Obligation.

Licence condition 15.7 permits the JCRA to issue such directions to JP on its quality of service targets as it wishes.

A full copy of the class II postal licence for Jersey Post Limited postal licence is available on CICRA's website ([www.cicra.je](http://www.cicra.je)), under the postal – licensing section at [http://www.cicra.gg/post/licensee\\_framework.aspx#Licensees](http://www.cicra.gg/post/licensee_framework.aspx#Licensees).