

Quality of Service Report 2016

June 2017

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1. Summary

In 2016 we met six out of nine quality of service targets. Where the service was within the control of Jersey Post we delivered above target performance at 96.4%. Where it was reliant on Royal Mail we delivered below target performance (in two of the three, only marginally below). For inbound from the UK, next day quality of service (where no target is set) was disappointing, but the 3 day target was met.

Since changes were made at the start of April 2017 we have exceeded all targets (April and May), and seen a 50% improvement in inbound next day quality over the two months.

We continue to monitor how we maintain and improve quality of service.

The quality of the service Jersey Post provides to its personal and business customers is a key part of the Universal Service Obligation we have to Jersey. This can be broken down between:

- Local to local: items collected on the island and delivered to addresses also on the island. As the end-to-end process is within Jersey, our performance is, by and large, within our control;
- Inbound: items originating in the UK, Guernsey or rest of the world, that come to us via Royal Mail where Royal Mail is responsible for getting the items to Jersey and Jersey Post is responsible for delivering them once they arrive;
- Outbound: items Jersey Post have collected on the island, sorted and handed to our delivery partners around the world. For the UK this is Royal Mail and we use Royal Mail's aircraft to get items off the island.

The independent quality measurement system (also used by Royal Mail) covers the UK, Isle of Man and Channel Islands, but only measures end-to-end quality of service. It does not split the performance between UK and Jersey so it does not identify where any failure occurred. However there are a number of factors that suggest that whilst there are some issues within Jersey Post, the biggest issues exist in the UK before the items arrive on Jersey:

- Local quality of service measurement shows a quality of 96.4% for 2016;
- There were a 145 Royal Mail network issues out of 269 delivery days in 2016, meaning that on more than 50% of all days there were issues in all items getting to Jersey on time;
- Since the introduction of a larger aircraft (737), first class and priority tonnage has increased by 28% from the day the new aircraft was put on the route. This is in a month when overall inbound volumes fell by 20%. This would suggest that in the past first class and priority items were being sent to Jersey by road and ferry and not getting here to be delivered on time. Quality of service of inbound next day has improved by 50% since this volume arrived by air;
- Using our new automation and data capture we are able to read labels on packet and parcel items. Taking a sample of all first class and priority items that were processed across the packet automation in 2016, this indicated that the average time it took from the day of despatch to arriving in Jersey (January to November) was 37.1 hours. There are caveats around the data but as an indicator it suggests a first class parcel sent on Monday would not arrive in Jersey until Wednesday.

During 2016 we tried to engage with Royal Mail to look at how we could improve the service provided by reviewing the end-to-end process together. We also contacted Ofcom¹ to seek assistance to see if there was any pressure that it could exert on Royal Mail. In early 2017 Royal Mail proposed a change in the aircraft used and since then we have worked together to improve quality of service. The larger aircraft came into place on 28 March 2017. We continue to have regular discussions with Royal Mail to review processes and identify ways we can improve service further.

Whilst we consider that the major cause of the poor quality of service happens before the items arrive in Jersey, this does not mean that Jersey Post cannot improve how it processes mail. As part of our internal changes we have put start and release times back to ensure all mail can be sorted and out for delivery the same day for first class and priority items. This does have an impact on the time customers will get their mail.

We have also looked at how and when we process traffic arriving over the weekend but not due for delivery until the Monday or Tuesday.

Following the changes made at the beginning of April 2017 we have achieved all nine targets in April and May and seen a 50% improvement in inbound next day quality. We recognise that there is more that we can do and will continue to strive to improve the quality of service provided to our customers on Jersey and around the world.

¹ Ofcom is the communications regulator in the UK and has responsibility for the regulation of the postal market in the UK including Royal Mail.

2. Introduction

In March 2013 the JCRA published a Direction to Jersey Post Limited regarding quality of service (CICRA 13/12). In July 2015 the JCRA issued a further Direction removing the next day quality of service target for UK to Jersey (CICRA 15/32). Although next day UK to Jersey is no longer a regulatory target, there is still a strong focus on inward mail network issues as these also impact on the inter-island mail delivered in Jersey.

This report from Jersey Post provides the information required under the Directions for the year ending 31 December 2016, together with an update for the first five months of 2017.

Our Quality of Service (QoS) is measured independently by Research International who checks the days taken to receive sample items of mail. The number of sample items and on-island panellists represent 0.03% of the total items processed and delivery points. There are 14 panellists on Jersey.

In March 2011 CICRA approved the move from a 6 day a week requirement to deliver to a 5 day a week.

3. Regulatory Performance

Against targets for local-to-local (JE-JE), Guernsey (GY-JE and JE-GY), UK and Isle of Man (UK-JE and JE-UK) our performance in 2016 was as follows:

YTD / 2016	JE-JE	UK-JE	JE-UK	GY-JE	JE-GY
J + 1	96.4%	43.5%	80.6%	71.6%	80.8%
J+1 Target	95%	N/A	82%	82%	82%
Items	2013	2928	1870	1273	1061
YTD / 2016	JE-JE	UK-JE	JE-UK	GY-JE	JE-GY
J + 3	99.8%	95.2%	99.4%	98.8%	99.8%
J+3 Target	99%	95%	97%	97%	97%
Items	2013	2928	1870	1273	1061

2

This table reflects meeting six out of nine targets, but in particular:

- Exceeding the local target, and marginally missing the outbound targets into the UK and Guernsey;
- Poor quality in terms of Guernsey to Jersey and from the UK to Jersey;
- All J+3 targets successfully achieved.

² The posting day is referred to as “J” day and a target of “J+1” is a target for the proportion of mail that should be delivered the working day following the day of posting.

a. Local to Local

In terms of local quality where the entire end to end process is within our control quality of service was as follows:

YTD / 2016	JE-JE
J + 1	96.4%
J+1 Target	95%
Items	2013
YTD / 2016	JE-JE
J + 3	99.8%
J+3 Target	99%
Items	2013

The breakdown by postcode was as follows^{3,4}:

Local QofS	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
JE1 (4)	84.6	96.7	93.9	89.3	90.0	90.3	93.3	96.7	90.9	96.9	83.3
JE2 (3)	100.0	100.0	100.0	100.0	97.1	100.0	96.1	100.0	100.0	100.0	92.3
JE2 (4)	100.0										
JE2 (6)	97.2	97.1	100	100	100	97.6	96.8	100	98.9	100	95.3
JE2 (7)	93.3	100.0	92.1	94.9	97.9	97.5	97.6	90.3	94.7	93.5	95.23
JE3 (1)	90.0	100.0	92.3	100.0	100.0	100.0	100.0	92.8	94.1	100.0	100.0
JE3 (4)	100.0	91.7	90.0	100.0	100.0	100.0	100.0		100.0	100.0	100.0
JE3 (5)											
JE3 (6)	100.0										
JE3 (7)											
JE3 (8)	87.5	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
JE3 (9)	100.0	100.0	100.0	100.0	100.0	92.3	100.0	83.3	88.9	95.0	100.0

This table reflects:

- An above target performance for the year;
- A total of 72 failed local to local items for the year;
- 30 failed items (41.7% of total) delivered to two JE1 post code panellists⁵ - The postcode implies that these panellists are likely to receive mail on timed early am deliveries. The timing of this process is under review;
- There were no active panellists in JE3(5) & JE3(7) parish postcode areas for the full year or JE2(4) after January 2016;
- There are only 14 active panellists in Jersey for 42,000 addresses;
- The amber highlighted squares reflect below target performance due to only 1 item failure for the specific postcode area during the month.

³ The number in bracket in the table is the first number in the second half of the postcode.

⁴ Targets and measurement are for 11 months of the year. Royal Mail does not have targets for December.

⁵ Whilst Jersey Post knows the number of panellists by postcode it does not know who the individual panellists are. However certain postcodes reflect a service provided such as Business Direct whereby post is delivered before a certain time rather than when all that days items have been processed. For these customers time of arrival is more important than getting all mail on the day of arrival in Jersey.

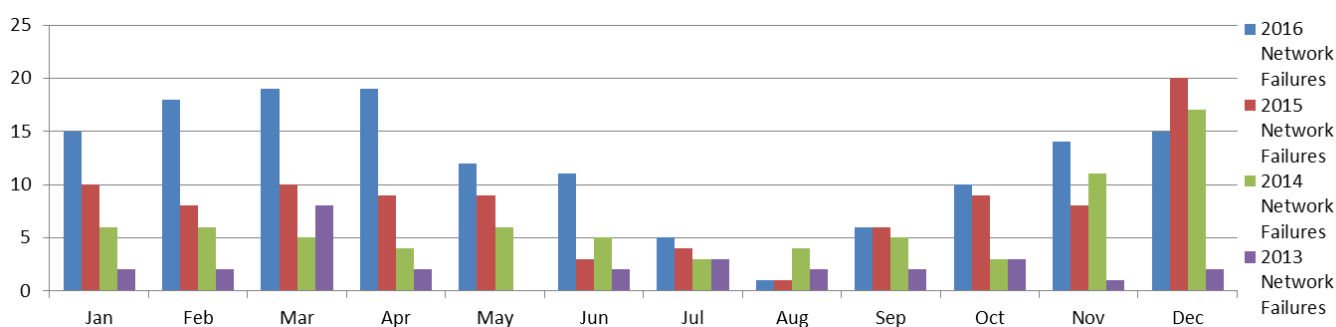
b. Inward Mail

In CICRA 15/32 the next day target for inbound traffic was removed but the three day target was retained. Whilst seeing a worsening of the next day service quality of service, Jersey Post did meet the UK to Jersey target.

YTD / 2016	UK-JE
J + 1	43.5%
J+1 Target	N/A
Items	2928
YTD / 2016	UK-JE
J + 3	95.2%
J+3 Target	95%
Items	2928

The results for inward mail streams for delivery in Jersey have been affected by a continually increasing trend of flight delays that have an impact on the operation and reported network failures that continued into quarter one 2017. This includes mail that was not received because the aircraft bulked out due to the volumetric capacity and was subsequently diverted via the surface route or delayed 24 hours in the UK for the following day's flight. It should be noted that the volume of bulk outs declined between June and October when the newspapers stopped sharing the RM charter aircraft.

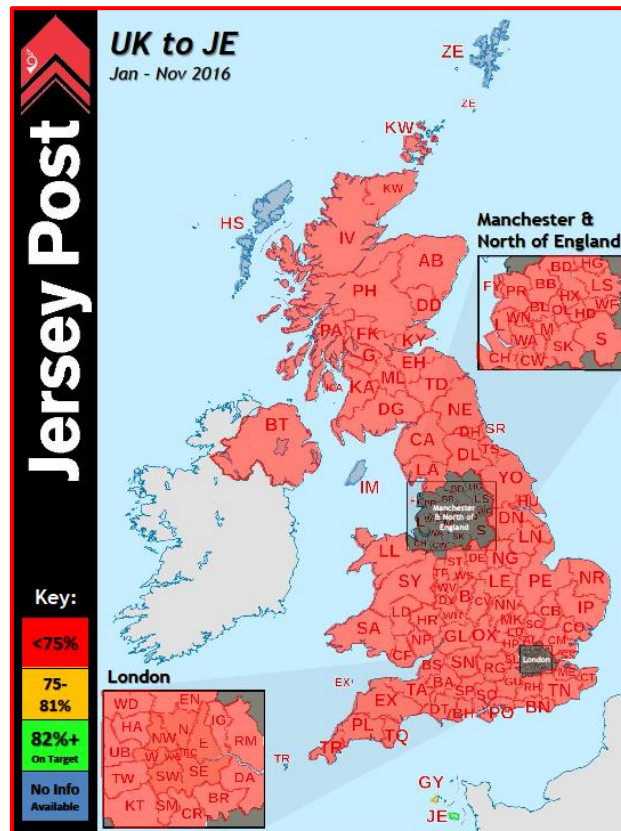
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Newspapers off aircraft													
2016 Network Failures	15	18	19	19	12	11	5	1	6	10	14	15	145
BOH to STD													
2015 Network Failures	10	8	10	9	9	3	4	1	6	9	8	20	97
Change of Aircraft													
2014 Network Failures	6	6	5	4	6	5	3	4	5	3	11	17	75
2013 Network Failures	2	2	8	2	0	2	3	2	2	3	1	2	29



This table reflects:

- 145 recorded network failures (33.1% increase on 2015);
- 29 cancellations or 'Impact' flight delays;
- 30 'non-impact' flight delays;
- Aircraft bulked out on 120 occasions;
- 3,070 'yorks' (roll cages) of mail not received on scheduled flight;
- 145 issues in 269 delivery days gives a Network Failure Rate of 53.9%.

In looking at inbound performance by UK postcode, it can be seen that during 2016 no originating area managed to hit the target.



c. Inter-Island:

Inter-island quality was as follows:

YTD / 2016	GY-JE	JE-GY
J + 1	71.6%	80.8%
J+1 Target	82%	82%
Items	1273	1061
YTD / 2016	GY-JE	JE-GY
J + 3	98.8%	99.8%
J+3 Target	97%	97%
Items	1273	1061

Impact delays caused by flight cancellations or delays have also affected Inter-Island QoS in both directions. Initial results indicated a below target performance for inter-island mail. Revised results based on all inter-island mail being received as scheduled and delivered indicate targets could have been achieved.

- **GY-JE**

Month 2016	Items	Failures	QofS	Revised Failures (excl flight delays)	Revised QofS	Target
January	92	33	64.1%	23	75.0%	82.0%
February	83	20	75.9%	13	84.3%	82.0%
March	114	25	78.1%	15	81.5%	82.0%
April	114	27	76.3%	11	86.0%	82.0%
May	101	61	39.6%	35	65.3%	82.0%
June	120	56	53.3%	17	85.8%	82.0%
July	139	29	79.1%	19	86.3%	82.0%
August	128	16	87.5%	16	87.5%	82.0%
September	118	18	84.7%	4	88.1%	82.0%
October	144	36	75.0%	15	89.6%	82.0%
November	113	40	65.5%	13	88.5%	82.0%
Total / QofS	1266	361	71.5%	181	85.7%	82.0%

- **JE - GY**

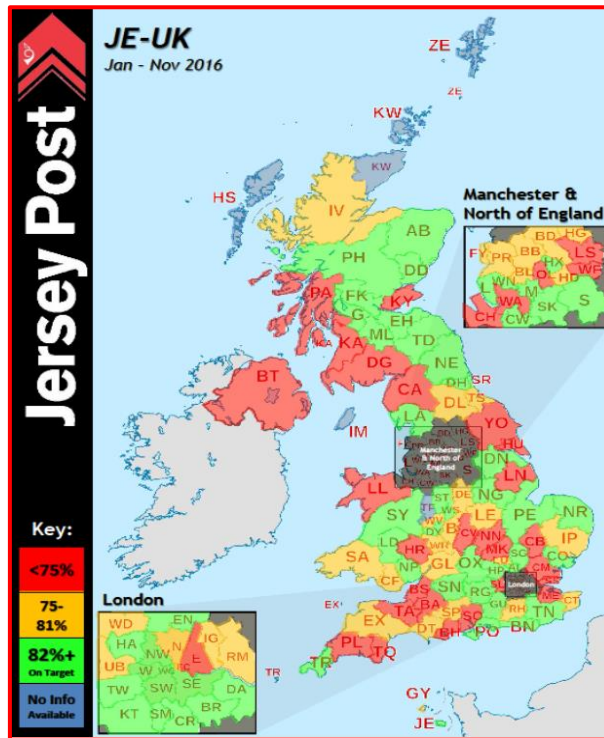
Month 2016	Items	Failures	QofS	Revised Failures (excl flight delays)	Revised QofS	Target
January	77	18	76.6%	13	83.1%	82.0%
February	83	20	75.9%	20	75.9%	82.0%
March	103	7	93.2%	7	93.2%	82.0%
April	104	18	82.7%	18	82.7%	82.0%
May	98	31	68.4%	29	70.4%	82.0%
June	91	35	61.5%	14	84.6%	82.0%
July	127	16	87.4%	16	87.4%	82.0%
August	86	16	81.4%	8	90.7%	82.0%
September	92	10	89.1%	10	89.1%	82.0%
October	106	11	89.6%	11	89.6%	82.0%
November	86	20	76.7%	11	87.2%	82.0%
Total / QofS	1053	202	80.8%	157	85.1%	82.0%

d. Outward mail

The Jersey to UK quality of service was marginally below target:

YTD / 2016	JE-UK
J + 1	80.6%
J+1 Target	82%
Items	1870
YTD / 2016	JE-UK
J + 3	99.4%
J+3 Target	97%
Items	1870

Performance varied across the UK:



The better performing destination postcodes in 2016 were:

Ranking JE - UK	Post Code area	Destination Office	Route: JE - STN
1	CO	Chelmsford	PRDC
2	L	Warrington	EMA
3	LA	Preston	EMA
4	PO	Portsmouth	BOH
5	BN	Gatwick	PRDC
6	PE	Peterborough	NDC
7	DA	Medway	PRDC
8	GU	Jubilee	PRDC
9	TW	Jubilee	PRDC
10	WC	London Central	PRDC

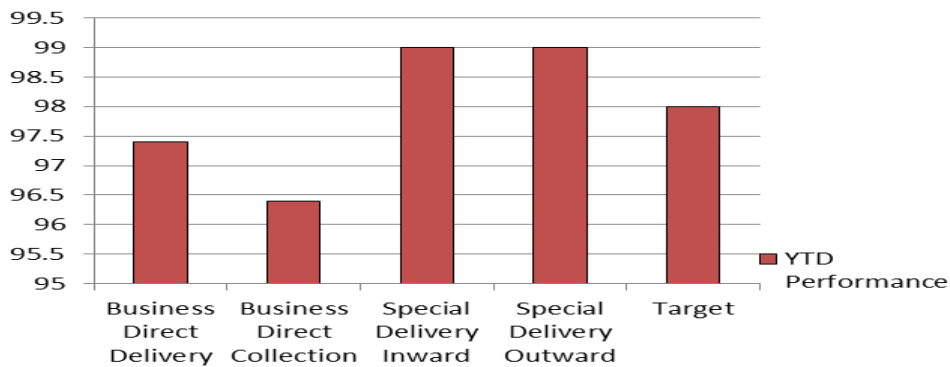
This table reflects that the East side of the UK performed better on the whole which may be indicative of direct air network access or geographical proximity to Stansted (the originating airport for Royal Mail during 2016).

4. Premium Business Products

For our measured premium services quality was:

- Business Direct Deliveries: Average daily performance: 97.5% on time;
- Business Direct Collections: Average daily performance: 96.5% on time;
- Special Delivery Inward: 99% delivered on day of receipt;
- Special Delivery Outward: 99% despatched on day of collection.

YTD Performance



5. Operational Complaints

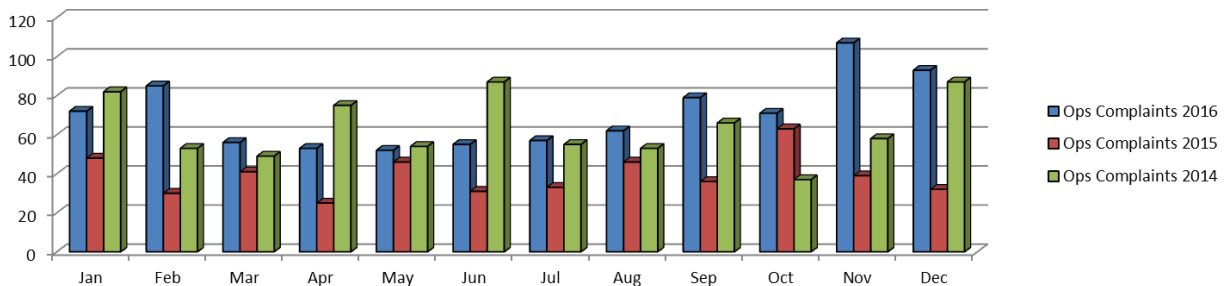
Jersey Post publishes a Consumer Code of Practice

<http://www.jerseypost.com/wp-content/uploads/2012/09/9591-JP-CONSUMER-CODE-DOCUMENT-D4.pdf>

In that Code we publish out guidelines for timeliness of dealing with queries and complaints. Our previous CRM system did not provide detailed measurement on the timeliness of our achievement of the guidelines set. This will be possible going forward and we will be able to provide a measure of achievement for 2017.

Up until 2016 we had seen a steady improvement in the number of complaints and contacts per 50,000 items. In 2013 it was up at 4.49 per 50,000 and in 2015 had fallen to 1.2. In 2016 it rose to 2.1 complaints per 50,000. The key areas of concern to customers continued to be:

- Delivery procedures;
- SecureDrop failures;
- Redirection failures.



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Complaints / 50k items delivered 2016	1.9	2.7	1.7	1.5	1.6	1.7	1.8	2.0	2.3	2.1	3.0	2.1
Complaints / 50k items delivered 2015	1.2	0.9	1.1	0.7	1.4	0.9	0.9	1.6	1.0	1.8	1.1	0.7
Complaints / 50k items delivered 2014	2.0	1.5	1.3	2.1	1.5	2.6	1.5	1.6	1.9	1.0	1.6	1.9
YTD	1.9	2.3	2.1	1.9	1.9	1.9	1.8	1.9	1.9	1.9	2.0	2.1

This table reflects:

- An operational complaints ratio of 2.1 complaints per 50,000 items delivered;
- A disappointing outcome following a succession of positive performances in previous years. This presents an opportunity for improvement in 2017;

Impacts included:

- Increased capture of cases by extended Customer Services Team;
- Introduction of new products & processes;
- Resourcing issues in key delivery areas.

All operational complaints are reviewed and actions recorded in order to avoid repeat issues. We try to address any operational issues in a fair and consistent manner and discuss remedial actions or training issues with the individuals involved. The consistency of this process is reflected in the results in the Customer Survey below and we have seen an improvement.

6. Customer Survey

In March 2017 we sent out our sixth all-island customer survey. The number of responses was up by more than 1,200 to over 6,700. We recognise that we have made a number of changes to reflect feedback from our customers: some that work and some that do not. Therefore it is pleasing that our customers continue to rate highly the people that work for Jersey Post and the service we provide.

The table below shows the results and how these have improved over the last two years.

	Good or Very good					
	2017	2016	2015	2014	2013	2012
How do you rate your postman?	93%	93%	92%	92%	86%	90%
How do you rate the overall delivery service?	86%	83%	82%	80%	71%	70%
How do you rate the retail network?	85%	85%	84%	81%	71%	81%

We are pleased with the large response again to our customer survey. Whilst it was good to see our best ever levels of satisfaction, we continue to look at where we can further

improve. When looking at those who rated our services Poor or Very Poor the results were 2% for Post Office network, 1% for our postmen and women and 4% for our delivery service overall.

The key areas customers' identified as a priority were:

- Keeping costs low;
- Consistency of delivery time;
- Early morning delivery.

7. Internal Processes

CICRA 13/12 also sets "internal" targets for mail to and from the UK. However, the independent measurement used only measures end-to-end quality and therefore to calculate actuals requires manual interpretation of the figures and does not provide a precise result. For these purposes we have made the following adjustments:

- Excluded mail on days where there bulk outs or other issues with the inbound aircraft;
- Assumed that 28% of mail sent by the loop trailer was first class (this is the average increase we have seen in first class traffic since the larger aircraft has been put on the route);
- We have not adjusted 2nd class mail for issues with late or cancelled ferries.

It is difficult and somewhat arbitrary to make further adjustments so as in previous years we have not reported against all internal targets^{6,7}.

	Mail from the UK		Mail to the UK	
	Target	Actual	Target	Actual
Ist Class Mail (D+0)	98%	71.5%	98%	n/a
Ist Class Mail (D+1)	100%	95%		
2nd Class Mail (D+1)	98%	85.6%		

During 2016, there were a number of changes to the physical layout and processes within the sorting office at Postal HQ following the introduction of packet and parcel automation at the end of 2015.

A re-development of the sorting office was initiated to optimise available processing space, re-align process workflows and reduce potential health and safety concerns. Plans are in place to extend this area further during 2017 to aid more efficient processes and enable growth for the business.

The changes made in 2016 have enabled the operation to increase the number of mail products processed for delivery each day but also reflect the changes in the profile of the mail received. Our 2016 results will reflect a further decline in traditional mail volumes and a significant increase in packets processed for delivery.

⁶ "D" is the day of receipt by Jersey Post

⁷ This is expressed as "E+0" in CICRA 13/12 but is not defined. We only have access to end-to-end measurement and this is shown in the table on page 5, with an achievement of 80.6% against a target of 82%.

Against the back drop of identified network issues and in order to monitor performance more efficiently, additional internal measures were put in place. At a high level, this resulted in an internal SLA relating to mail arrival times. In 2017 we have extended this to other changes to improve quality of service (see below).

8. 2017 Update

Following discussions with Royal Mail a larger 737 aircraft has been introduced on the route from 28th March. This has posed operational issues as it takes longer to unload, items get to Rue de Pres later, leading to a later time when postmen and women get on the road.

We have also seen a significant increase (28%) in first class items on the aircraft at a time when overall volume fell by 20%. Up until the new larger aircraft second class and non-priority items only were meant to be sent by ferry. All first and priority should have been sent by air. This sudden increase suggests that first class and priority were put on the trailer and ferry in 2016 as a matter of course rather than as a contingency.

As part of the impact of the larger aircraft, staff start times have been put back by 30 minutes. We have also put back release times (i.e. the latest time a postman or woman will leave Rue de Pres to start their delivery). Whilst this helps to ensure all items are processed and we can operate a clear floor policy it does mean that some customers will get their mail later than before.

The new aircraft has a mix of first class, priority and second class items. We prioritise as follows:

- Local, first class and priority are delivered same day if the aircraft lands on time;
- Second class and non-priority are delivered the following day,
- If an aircraft is significantly delayed we focus on first class and priority items.

We maintain a service update page on our website for our customers to keep abreast of the latest position.

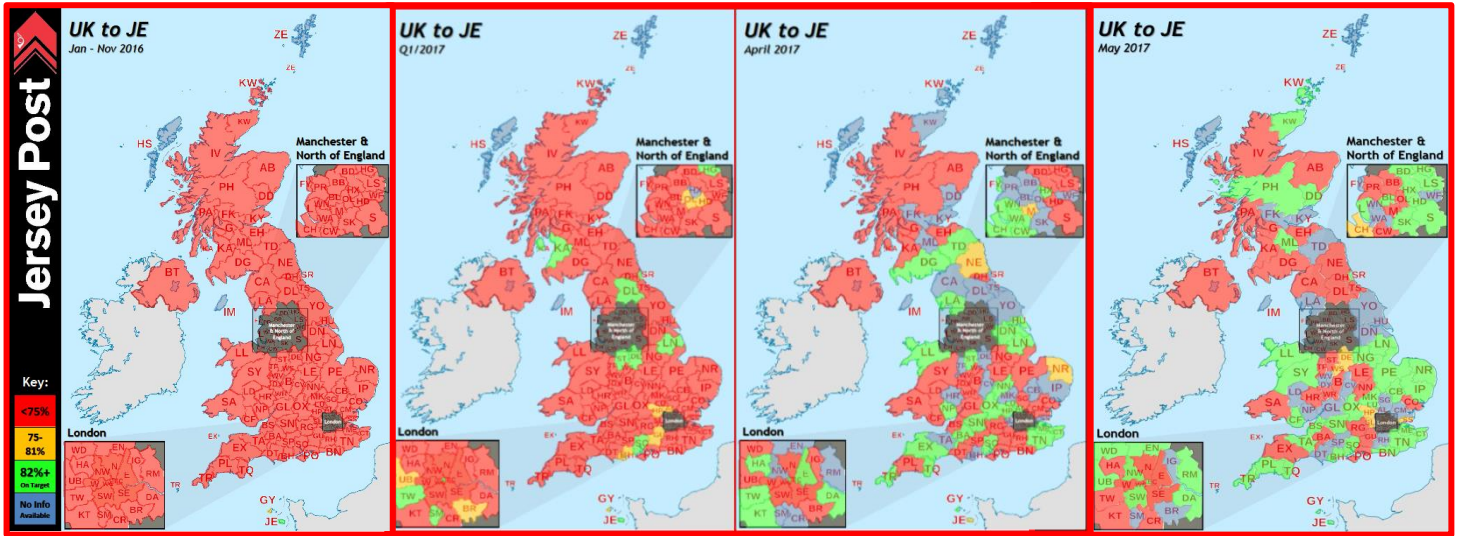
<http://www.jerseypost.com/service-updates>

Based on these changes we have seen quality of service improve across the board with a 39% improvement in inbound quality in April and a further 10% in May:

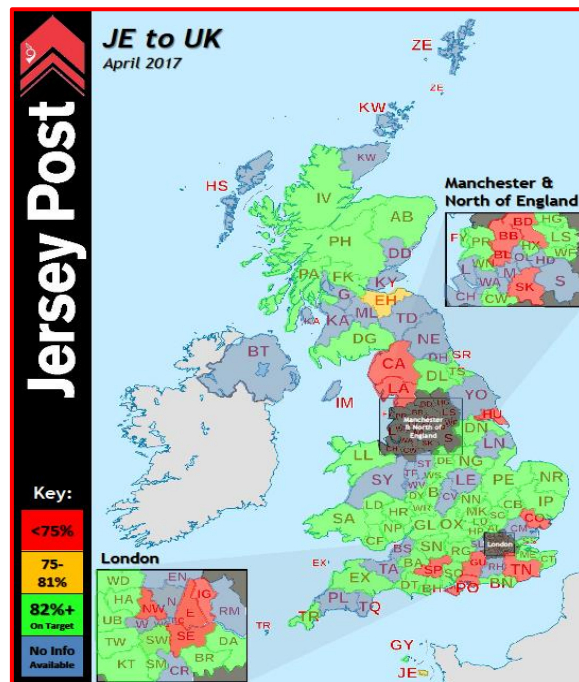
Apr-17	JE-JE	UK-JE	JE-UK	GY-JE	JE-GY
J + 1	95.7%	60.5%	86.8%	84.8%	86.8%
J+1 Target	95%	N/A	82%	82%	82%
Items	162	223	144	66	76
Apr-17	JE-JE	UK-JE	JE-UK	GY-JE	JE-GY
J +3	99.4%	99.1%	98.6%	100.0%	100.0%
J+3 Target	99%	95%	97%	97%	97%
Items	162	223	144	66	76

May-17	JE-JE	UK-JE	JE-UK	GY-JE	JE-GY
J + 1	97.5%	66.4%	86.5%	84.0%	88.0%
J+1 Target	95%	N/A	82%	82%	82%
Items	159	238	141	81	92
Apr-17	JE-JE	UK-JE	JE-UK	GY-JE	JE-GY
J + 3	100.0%	98.7%	100.0%	98.8%	100.0%
J+3 Target	99%	95%	97%	97%	97%
Items	159	238	141	81	92

Not only have we seen an improvement year on year but also in April and May compared to the first quarter of 2017. This is illustrated by inbound quality of service figures:



In terms of outbound we have also seen a strong performance since the larger plane was put on the route:



9. Additional data⁸

Our investment in new automation allows us to capture more data on the items we process including an ability to read the content of barcodes on packets and parcels. Taking data from Royal Mail's 2D barcodes we can, by making a number of assumptions, estimate the time it takes for these items to get to Jersey Post. The assumptions made are:

- The data is based on items processed by Jersey Post's packet sorter;
- It covers the period from 1 January 2016 to 30 November 2016⁹;
- The transit time is measured from 23:59:59 on the despatch date until the time of the first pass through the packet sorter;
- It relies on our reading of Royal Mail 2D barcodes for which we do not have the official specification and have inferred the meaning of its contents;
- In 2% of cases the barcode contains two dates and we have used the earlier of the two;
- Only items with barcodes that the packet sorter can read are included. Packet facing and label creasing will effect this;
- Data in the barcode is supplied by the shipper and relies on its accuracy;
- The product is determined by the operator of the packet sorter.

Even based on these assumptions the data can only give an indicator and is not an absolute measure.

Looking across a sample of 305,614 items in 2016 the average time it takes for an item to arrive in Jersey is 39.2 hours i.e. an item sent on Monday would arrive Wednesday morning and be delivered on Wednesday.

Whilst caution should be used with this data it is consistent with independent measurement used by Royal Mail and Jersey Post.

⁸ Caution should be taken in reading too much into this data and should only be used as a guide.

⁹ Targets and measurement for the UK, Guernsey and Jersey are for 11 months of the year, so the same period has been used with this data to give a comparison.