

# POSTWATCH GUERNSEY

## Annual Report 2011

This report covers the period 1<sup>st</sup> January 2010 – 31<sup>st</sup> December 2010. It is divided into two parts, the first a short resume concerning the work of PostWatch Guernsey during that period and the second, relating to areas of Guernsey Post's activities which gave rise to concern and in which PostWatch became involved.

### The role of PostWatch Guernsey

- PostWatch Guernsey (PostWatch) is **independent** of The States of Guernsey and Guernsey Post Limited (GPL)
- The first paragraph of our mandate says: 'To act in the best interests of all users of the services offered by Guernsey Post by acting as a watchdog; to protect, promote and develop the interests of all customers of Guernsey Post's services; and to ensure that customers receive the best possible cost-effective service from Guernsey Post'.
- The committee is made up of volunteers, some independent and others from various island organisations representing a cross section of Guernsey society, including representatives from the Confederation of Guernsey Industry, Guernsey Chamber of Commerce, Citizens Advice Bureau, Guernsey Police and Guernsey Voluntary Service.
- The members hold formal meetings approximately once every six weeks, but increase the frequency if necessary. Members of the GPL senior management team are invited to attend these meetings to report on a variety of issues. The Director General John Curran and his assistants from the Office of Utility Regulation (OUR) are also invited to attend from time to time.
- PostWatch receives no funding and is grateful to GPL for the provision of secretarial services and meeting room facilities.
- The PostWatch Chairman and other members of the committee meet with GPL management at various times to any discuss pressing matters of concern.
- PostWatch deals with both written and telephone complaints and continually monitors Guernsey Post's progress throughout the year.

### Changes within PostWatch

During 2010, Judith Scott and Douglas Muir resigned from PostWatch due to family commitments and during the year we welcomed new committee members Jonothan Webb and Fiona Willis.

## Major issues involving PostWatch during 2010

- Regulatory Policy Institute Review
- PO Box survey
- GPL / OUR dispute

### Regulatory Policy Institute Review

During 2010 the Regulatory Policy Institute was requested by Commerce & Employment to conduct a review into regulation in Guernsey. PostWatch was invited to meet with their representatives, and the PostWatch Chairman and Vice Chairman met with them to discuss the situation with regard to postal regulation in the island. The committee also forwarded a report containing their views to Commerce & Employment, which is summarised as follows:

- The Universal Service Obligation (USO) needs to be reviewed and redefined sooner rather than later.
- PostWatch is supportive of the proposed introduction of a USO fund.
- PostWatch strongly believes the Reserved Area should be maintained.
- All postal operators should be licensed.
- PostWatch is not convinced a shareholder resource in relation to finance is the right answer.
- PostWatch agrees with the RPI's idea that regulation in Guernsey should be, '*seeking to do a number of biggish things well*', also, 'that it should be built around the notion of *limited regulation*'.
- A system should be put in place to examine the accountability of the OUR on a regular basis.
- PostWatch agrees with RPI's proposal for the establishment of an Adjudication Panel.

### PO Box Survey

During the past year PostWatch conducted a survey of PO Box holders, posing a set of questions to find out how happy they were with the service. Only 144 out of 600 replied which was quite a good result in numbers, although PostWatch were hoping for at least 50%. It was assumed that lack of replies (even though a stamped addressed envelope was enclosed) was because most were happy with the service provided.

The majority of replies reported that they felt the service was good, although there appeared to still be a number of mis-sorts occurring. The percentage occurring during the week of monitoring was 1.73%. PostWatch will keep monitoring the situation.

## **GPL / OUR dispute**

During the early part of 2010 conflict arose between GPL and the OUR. The OUR opposed the proposed tariff increases saying that GPL must work harder to reduce their high overheads. The dispute became highly charged over time and the PostWatch Chairman had talks with both Gordon Steele, the Chief Executive of GPL and John Curran Director General of the OUR in a bid to mediate and bring about a solution to the problem. He also had talks with Chairman of the Board, Dudley Jehan to try and find a way to bring about its conclusion. Unfortunately all attempts failed.

Later in the year, the Chief Executive Gordon Steele resigned from the company and Boley Smillie the Service Delivery Director was given interim control of the company and after a few successful months was offered the permanent position of Chief Executive, which he accepted. PostWatch wholeheartedly backed his appointment.

PostWatch members were pleased that eventually the issues with the OUR were resolved, meaning that the probability of an expensive court case was eliminated.

## **Finance & Efficiencies**

The management at GPL have worked hard during 2010 to find ways of reducing their overheads and streamline their operations. In September the new Chief Executive of GPL, Boley Smillie, informed the PostWatch committee that because of declining core mail volumes significant restructuring was required, resulting in savings of £2 million pounds from postal operations. The result would inevitably mean less jobs in the sorting office and a reduction in overtime.

It was pleasing to hear that the Unions were engaging with management on the changes and that there was a joint approach to what will be a difficult period for the company. The proposed changes also meant that for some customers delivery times would change.

There was during 2009/10 a 16% decline in core volumes, which was likely to continue over the 3 coming years.

During the latter part of 2010 a tariff consultation process between GPL and the OUR concluded, with both parties agreeing a 'basket approach' to pricing in years two and three. PostWatch members also felt this 'basket approach' was a positive move for GPL. In setting this tariff GPL also highlighted the risk that Royal Mail would seek a significant increase in charges which was consistent with the approach to domestic tariffs in the UK. Under this scenario GPL would need to reopen the tariff review given the significant financial impact to the company.

## **In Conclusion**

Guernsey Post is moving forward in an attempt to stave off massive losses caused by huge reductions in the use of postal services. PostWatch will closely monitor the ongoing situation.

Consumer complaints have greatly reduced, which means there has been improvement in certain areas of GPL operations. PostWatch will always ensure that all concerns and complaints brought to their notice will be raised with GPL and the committee will always work to obtain a satisfactory conclusion.

PostWatch Guernsey is the consumer watchdog committee of Guernsey Postal Services and we must stress how important it is to receive customer feedback, whether good or bad, as this enables us to ensure that the citizens of Guernsey receive the best possible service from Guernsey Post Limited.

My personal thanks go to Guernsey Post management and staff for providing PostWatch access to information and statistics, thereby enabling the committee to have a true picture with which to ensure the public are receiving a good service.

Finally, I say thank you to the other members of PostWatch for their work and support throughout the past year, also to Laura Le Maitre for her valued secretarial support.

Dennis H Le Moignan  
Chairman – PostWatch Guernsey  
March 2011

**NOTE: The PostWatch Guernsey Mandate & Constitution, also the past and present PostWatch Annual Reports can be found through the Guernsey Post website at [www.guernseypost.com](http://www.guernseypost.com)**

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