



18 December 2020

Royal Mail Wholesale

4th Floor
185 Farringdon Road
London
EC1A 1AA

Q2 Price Plan Profile Surcharges / Changes to Permitted Variances

Dear Customer

I write with updates on the following matters relating to the price plans for the Access Letters Contract, Wholesale Parcels Contract and C9 Premium Agreement:

- Q2 contract monitoring for the 2020/21 financial year;
- Changes to the Permitted Variances; and
- Allocation of Postcode Sectors to Zones 2020/21.

Q2 Price Plan Profile Surcharges

Some Wholesale customers have asked us to provide an update as to how, in light of the Covid-19 pandemic, we are dealing with Q2 contract monitoring for National Price Plan One, Averaged Price Plan Two and Regional Price Plan customers for the 2020/21 financial year.

We have previously explained that we would monitor the impact of Covid-19 on customers' ability to meet their price plan profile requirements during Q1 and Q2 2020/21. In September we informed customers that we were disregarding Q1 when calculating Profile Surcharges following our analysis of the Q1 price plan profiles.

We have now completed the review of the Q2 (July to September) price plan profiles and the results from this analysis show that, compared to the baseline profile, the overall/cumulative profile averaged out across all customers looks similar. However, we appreciate this may not be a fair reflection of the impact of Covid-19 on individual customers.

Therefore, we have decided that the most appropriate solution is to disregard Q2 when calculating Profile Surcharges, and (for the purposes of 2020/21 only) to base them instead only on data we consider to be sufficiently robust, which at this time we expect to be the Q3 to Q4 figures. This decision shall take effect under the provisions of [Access Letters Contract Change Notice 064](#) which comes into force on 31 March 2021.

Price plan profile surcharges for the remainder of 2020/21

We fully appreciate that Covid-19 is continuing to cause disruption across the whole mail industry and may have an adverse impact on customers' ability to meet their price plan profile requirements during the remainder of 2020/21. As for Q1 and Q2, we are continuing to review customer volumes during the affected period, to assess any adverse implications Covid-19 may be having on your ability to meet the profile commitments, and will update you at the earliest opportunity

Changes to the Permitted Variances for NPP1 and APP2 customers

As you are aware, we are in the second year of a four-year glidepath to reduce the permitted variances (tolerances) of the national price plans and the regional price plan, following proposals from customers that attended workshops in 2017. The previous reductions came into force from April 2020 as part of this glidepath.

From April 2021, we are reducing the tolerances further, as shown in the table below. We are keeping the reductions low to give customer maximum opportunity to make the necessary adjustments.

Price Plan	Current Tolerance	Tolerance from April 2021
National Price Plan 1 (SSC)	Urban Density: 30%	Urban Density: 25%
Averaged Price Plan 2 (Zones)	5.5%	4.5%
Regional Price Plan	5.5%	4.5%

I enclose the formal change notices (number 072 for the Access Letters Contract and number 028 for the Wholesale Parcels Contract) detailing the April 2021 changes.


Allocation of Postcode Sectors to Zones 2021/22

We have completed the annual review of the allocation of Postcode Sectors to Zones and there is some movement of Postcode Sectors for the forthcoming financial year 2021/22. The changes affect the Access Letters Contract, the Wholesale Parcels Contract and the Condition 9 Premium Agreement as detailed in the applicable contract change notices attached to this letter. The following changes come into effect from **1 April 2021**:

- (a) A revised **Royal Mail Zonal Posting Profile for 2021/22**, published in the profiles and permitted variances file which you can find at <https://royalmailwholesale.com/permitted-variances-and-profiles>. We will also update the NGPP Calculator, on the same webpage, to display the new Royal Mail Zonal Posting Profile relevant to each contract.
- (b) A revised **Urban Density Benchmark Profile for 2021/22**, as published in the profiles and permitted variances file which you can find at <https://royalmailwholesale.com/permitted-variances-and-profiles>.

If you have any questions regarding any of the matters in this letter, please contact your Account Director.

Yours sincerely,



Tim Cable
Wholesale Products Director
Royal Mail Wholesale
tim.cable@royalmail.com



**ACCESS LETTERS CONTRACT CHANGE NOTICE: NUMBER 072
CHANGES TO PERMITTED VARIANCES**

Date: 18 DECEMBER 2020

This notice applies if you hold an Access Letters Contract (Contract) with Royal Mail Group Limited, a company registered in England and Wales (number 04138203) with its registered address at 100 Victoria Embankment, London, EC4Y 0HQ.

1 Definitions and interpretation

- 1.1 If a word or expression is defined in this notice, it shall have the meaning given in this notice.
- 1.2 Any words or expressions which are not defined in this notice, but have an initial capital letter, shall have the meanings given to them in the Contract.
- 1.3 All of the rules about how to interpret the Contract shall apply to this notice.

2 Changes to the Contract

- 2.1 We hereby give you notice under clause 13.2.3 of the General Access Terms and Conditions to change the Permitted Variances with effect from **1 April 2021**.

Yours sincerely,

Tim Cable
Wholesale Products Director
Royal Mail Wholesale
tim.cable@royalmail.com



**WHOLESALE PARCELS CONTRACT CHANGE NOTICE: NUMBER 028
CHANGES TO PERMITTED VARIANCES**

DATED: 18 DECEMBER 2020

This notice applies to you if you hold a **Wholesale Parcels Contract** (Contract) with **Royal Mail Group Limited**, a company registered in England and Wales (number 04138203) with its registered address at 100 Victoria Embankment, London EC4Y 0HQ.

1. Definitions and interpretation

- 1.1 If a word or expression is defined in this notice, it shall have the meaning given in this notice.
- 1.2 Any words or expressions which are not defined in this notice, but have an initial capital letter, shall have the meanings given to them in the Contract.
- 1.3 All of the rules about how to interpret the Contract shall apply to this notice.

2. Changes to the Contract

- 2.1 We hereby give you notice under clause 13.2.3 of the Parcels General Terms and Conditions to change the Permitted Variances with effect from **1 April 2021**.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Tim Cable", is positioned below the "Yours sincerely," text.

Tim Cable
Wholesale Products Director
Royal Mail Wholesale
tim.cable@royalmail.com



ACCESS LETTERS CONTRACT CHANGE NOTICE: NUMBER 073

DATED: 18 DECEMBER 2020

This notice applies to you if you hold an **Access Letters Contract** (Contract) with **Royal Mail Group Limited**, a company registered in England and Wales (number 04138203) with its registered address at 100 Victoria Embankment, London EC4Y 0HQ.

1. Definitions and interpretation

- 1.1 If a word or expression is defined in this notice, it shall have the meaning given in this notice.
- 1.2 Any words or expressions which are not defined in this notice, but have an initial capital letter, shall have the meaning given to them in the Contract.
- 1.3 All of the rules about how to interpret the Contract shall apply to this notice.

2. Changes to the Contract

- 2.1 We hereby give you notice under clause 13.2.4 of the General Access Terms and Conditions to change the allocation of Postcode Sectors to Zones with effect from **1 April 2021**.
- 2.2 The change referenced at paragraph 2.1 above will result in a change to the composition of the Royal Mail Zonal Posting Profile for 2021-22 for customers posting on Averaged Price Plan Two (Zones) and the Regional Price Plan (Zones).
 - a. From **1 April 2021**, the Royal Mail Zonal Posting Profile for Averaged Price Plan Two (Zones) will change to:

Royal Mail Zonal Posting Profile	Urban	Suburban	Rural	London
2021 - 22	36.960%	30.709%	18.195%	14.136%

- b. From **1 April 2021**, the Royal Mail Zonal Posting Profile for the Regional Price Plan (Zones) will change to:

Royal Mail Zonal Posting Profile 2021-22	Urban	Suburban	Rural
England & Wales	44.197%	35.859%	19.945%
Scotland	37.757%	35.955%	26.288%
Northern Ireland	21.113%	31.889%	46.999%

2.3 The change referenced at paragraph 2.1 above will result also in a change the composition of the Urban Density Benchmark for Price Plan One (SSCs) with effect from **1 April 2021**, details of which are published on the contracts page of the Website.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Tim Cable', with a horizontal line underneath.

Tim Cable
Wholesale Products Director
Royal Mail Wholesale
tim.cable@royalmail.com



WHOLESALE PARCELS CONTRACT CHANGE NOTICE: NUMBER 029

DATED: 18 DECEMBER 2020

This notice applies to you if you hold a **Wholesale Parcels Contract** (Contract) with **Royal Mail Group Limited**, a company registered in England and Wales (number 04138203) with its registered address at 100 Victoria Embankment, London EC4Y 0HQ.

1. Definitions and interpretation

- 1.1 If a word or expression is defined in this notice, it shall have the meaning given in this notice.
- 1.2 Any words or expressions which are not defined in this notice, but have an initial capital letter, shall have the meaning given to them in the Contract.
- 1.3 All of the rules about how to interpret the Contract shall apply to this notice.

2. Changes to the Contract

- 2.1 We hereby give you notice under clause 13.2.4 of the Parcels General Terms and Conditions to change the allocation of Postcode Sectors to Zones with effect from **1 April 2021**.
- 2.2 The change referenced at paragraph 2.1 above will result in a change to the composition of the Royal Mail Zonal Posting Profile for Price Plan Two (Zones). With effect from **1 April 2021**, the Royal Mail Zonal Posting Profile will change to:

Royal Mail Zonal Posting Profile	Urban	Suburban	Rural	London
2021 - 22	34.211%	30.890%	21.379%	13.521%

- 2.3 The change referenced at paragraph 2.1 above will also result in a change to the composition of the Urban Density Benchmark for Price Plan One (SSCs) with effect from **1 April 2021**, details of which are published on the contracts page of the Website.

Yours sincerely,

Tim Cable
Wholesale Products Director
Royal Mail Wholesale
tim.cable@royalmail.com



CONDITION 9 PREMIUM ACCESS AGREEMENT: CHANGE NOTICE

DATED:18 DECEMBER 2020

This notice applies to you if you hold a Condition 9 Premium Access Agreement (Contract) with **Royal Mail Group Limited**, a company registered in England and Wales (number 04138203) with its registered address at 100 Victoria Embankment, London EC4Y 0HQ.

1. Definitions and interpretation

- 1.1 If a word or expression is defined in this notice, it shall have the meaning given in this notice.
- 1.2 Any words or expressions which are not defined in this notice, but have an initial capital letter, shall have the meanings given to them in the Contract.
- 1.3 All of the rules about how to interpret the Contract shall apply to this notice.

2. Changes to the Contract

- 2.1 We hereby give you notice under clause 13.4 of the Contract that the allocation of Postcode Sectors to Zones will change with effect from **1 April 2021**.

Yours sincerely,

Tim Cable
Wholesale Products Director
Royal Mail Wholesale
tim.cable@royalmail.com