

# SCHOOLSHOP



Good Morning

1<sup>st</sup> March 2024

RE: Order Delivery Charges

I wanted to let you know that Royal Mail have advised us that they will be increasing the rate for the goods we send with them from 24<sup>th</sup> March 2024.

I had expected this increase much sooner but our prices with them have remained steady for at least 2 years meaning we didn't need to increase our charges to customers for quite some time and previous increases were only minor. They have now advised us that our contract rate will increase by £0.41p per item, added to this Royal Mail apply a surcharge to cover fuel cost fluctuations which is 8% so that will add a further 3p and they have recently applied a Green levy of 2p per item, therefore the actual increase will be £0.46p per item, which is not insignificant given that we expect to send over 20,000 items in the coming 12 months.

Unlike our uniform supply arrangements where we can apply some control over input costs with forward ordering, etc we don't have the same control over costs such as those from Royal Mail, and whilst there are a number of alternatives to Royal Mail none are cheaper or have the ability to reach every household in the UK in the same way that Royal Mail do.

We have considered our situation and have decided on a strategy to mitigate passing on all of this cost. In addition, we will not increase our postage charges until Monday 6<sup>th</sup> May 2024.

We propose to increase the cost for delivery by 25p to £4.20 per item. Currently the threshold for free delivery is £50.00 and we propose to increase this to £55.00

These changes will mitigate some of the increase in costs and we will absorb the remainder. I would hope that Royal Mail will maintain their prices for the next 18 months to 2 years, but we will inform you if there are any further significant changes.

I am sure you will understand the need to act in this instance and I hope our proposal is fair to all concerned. If you have any queries please contact me to discuss further.

Yours sincerely

**Peter**

Peter Dalton

