

RAIL ADR SERVICE BOARD - MINUTES

Minutes of a meeting of the Rail ADR Service Board, including the Board of Directors of Dispute Resolution Ombudsman (Company Number 0894516) (the "company") held on 7th March 2024.

Present:

Chief Executive and Chief Ombudsman: Kevin Grix (KG)

Executive Directors: Judith Turner (JT), Richard Puckey (RP)

Non-Executive Directors: John Peerless-Mountford (JP) [Chair]

Jonny Westbrooke (JW) and James Walker (JWA) Helen Saxon (HS), Gobi Ranganathan (GR)

Matt Thomas (MT)

Apologies for Absence: Billy Quinn (BQ)

1. NOTICE, QUORUM AND APOLOGIES

The Chair reported that sufficient notice of the meeting had been duly given and that a quorum was present.

2. DECLARATION OF INTERESTS

Declaration of Directors' interests notice was circulated prior to the meeting and will be updated accordingly.

3. INTRODUCTION AND WELCOME

GR and HS introduced themselves to the board and highlighted their experience.

The Board welcomed both GR and HS to their first meeting and welcomed their knowledge and expertise.

4. MINUTES OF THE BOARD MEETING

The minutes of the board meeting 23rd November 2023 were approved by the board and signed by the Chair on behalf of the board.

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5. CONTRACT NOVATION UPDATE

JT discussed the current position with the ORR who have raised several questions about the novation, including the position regarding OA Validation

and meeting the contractual requirements regarding an established company. These are not insurmountable as we have received confirmation from the OA that the scheme would not need to be re-validated on an intra-group novation and DRO could provide a guarantee. There are other queries that are minor in nature that could also be covered off. However, the sign-off process at the ORR is lengthy and would require executive oversight. The question to be discussed is whether, with additional legal costs to be incurred on working through the queries and the level of scrutiny being levied, now is the right time to pursue this venture. The RO already operates a separate bank account and has flexible staffing arrangement within DRO so could remain a DRO company within the group structure.

6. GROUP STRUCTURE & UK CORPORATE GOVERNANCE CODE

The ORR Contract requires the Rail Board to adhere to the principles of the UK Corporate Governance Code, as circulated at the last DRO Board meeting. The ORR have reviewed the Code and suggested several points that they believe are relevant to a company of this size. These were presented for agreement:

1. The board should describe in the annual report how opportunities and risks to future success have been considered and addressed
2. The chair should be independent on appointment
3. The board should establish a nomination committee to lead the process for appointments
4. To have a process for annual re-elections
5. Create an audit and risk committee (which the annual report should reference the work of)
6. Create a remuneration committee (which the annual report should reference the work of) - the ORR have agreed this can be the whole board.

In terms of items 3 and 4, given the Articles and way in which the appointments have been managed and set up, we proposed an annual, internal evaluation in accordance with paragraph 22 of the Code i.e. "The chair should act on the results of the evaluation by recognising the strengths and addressing any weaknesses of the board. Each director should engage with the process and take appropriate action when development needs have been identified". The ORR considered this and suggested the following which was discussed by the Board:

The contract under schedule 2.1 paragraph 123 requires that an independent review be undertaken of the service provider. Currently this is planned to be done in Year 2, so sometime between 26 November 2024 and 25 November 2025, but preferably sooner rather than later. The ORR proposal is that we roll up an evaluation of Governance arrangements aligned to

paragraph 21 of the UK Corporate Governance Code at this point. We would then expect that the Chair should act on the results of the evaluation as per paragraph 22 of the code. If we agree to this approach, it is expected that there would be reference to the independent review in the annual report until the review was concluded, after which you would be referring to the results and actions.

7. FINANCIAL SUMMARY AGAINST CONTRACT

RP presented a financial update. [Redacted - commercially confidential.]

8. OPERATIONAL UPDATE

Complaints:

The Rail Ombudsman received eight service complaints in Periods 9-11 (i.e. since go-live under the ORR Contract and the date of the last board meeting). Of these two were escalated to the Independent Assessor. Details and feedback from the IA were shared with the Board.

Quality Monitoring:

Results and actions arising out of quality monitoring were shared with the Board.

Case volumes

(MT shows slide depicting volumes Apr23 to date)

Volume of cases received has gradually increased over the course of the year, but volumes have been relatively stable compared to previous years. The impact of Christmas/New Year and an uplift in January was noted.

Have closed approx. 3900 cases to date – on course for forecast volume of circa 4,000 (expect to exceed slightly).

SLA performance:

Currently in the Grace Period of the new contract with ORR – as such the performance regime is not applied.

The time is being used to model some changes to the KPIs with ORR, which are aimed at reducing case closure times. The numbers reportable at this point are subject to change, based on a change request ORR have raised, following the discussions we've been having.

Subject to that, casework and call KPIs largely met. An interruption to reporting associated with transition to new telephony solution meant a gap in performance reporting in the last period.

RO have been reporting against Social Media responses. 95% within 30 minutes target is the same as previous contract, and no service points apply.

RO team are empowered to take the time needed to issue quality response to any social media contact. Quality is prioritised over 30 minute target.

Scheme Member engagement:

Ordinary engagement to ensure collaborative working towards prompt, quality, case closures and two-way sharing of feedback.

Scheme Members introduced to Natalie Freeman, who will be stepping in to MT's Account Manager role, at the industry's Redress Support Group in February. This will follow a phased transition and joint working.

Key activity:

Advisory Panels – Both the Passenger Advisory Panel and Scheme Member Panel met recently. Both panels got off to a strong start. Being first meetings, neither panel made any formal advisory statements to the Board but there was a lot of very useful discussion and commitment to action. The Scheme Member Panel raised a particular area of interest which was the potential for third party ticket retailers to become members of the RO. The Passenger Panel resulted in an initiative by one of the Panel members to secure some funding to conduct some academic research.

Recommendations – The first panel meetings provided opportunity to bed in a revised approach to making recommendations as a result of casework. RO will engage the industry and SABs proactively, helping to form recommendations to the industry.

Independent consumer satisfaction survey – Annual independent consumer experience survey is in flight, conducted by Ipsos. This year includes in-depth telephone interviews at ORR's behest. Results pending; at the last update Ipsos noted a response rate of 23%. Some feedback has been received about the survey being longer than previously, but at this point more information needed to inform future thinking.

Change request:

ORR have raised a contract change request to tying up various matters discussed through implementation.

This includes KPIs, in particular targeting 90% of cases resolved prior to adjudication within 30 working days; the remaining 10% of those within 40 working days (40 days is the standard RO has previously worked to and which the Scheme Rules and consumer facing material set).

Currently working through the best way to report against that target, without losing the opportunity to resolve cases in a way that both parties are happy

with. Quicker isn't always better. It's not unusual to see mediation closes go to the wire because of a late offer, or a late acceptance of an offer. An unintended consequence of the KPI could be to push cases to adjudication, where the case may otherwise have settled. That isn't optimal for the parties in dispute, or the RO, and it's not what was envisaged by the Scheme Rules. Exemption mechanisms exist, but application is not straightforward in their current form. The issue becomes most acute regarding cases with an objection on scope, because there are very few of them. A single case, closed within timeframes acceptable under the Scheme Rules, could impact SLA performance significantly. RO and ORR are currently working together to settle on the best way to achieve our joint aim of resolving disputes as promptly as possible, without risking our ability to achieve the right type of resolution.

Upcoming:

Independent Assessor's report will be published soon, having been sent to ORR under embargo. This primarily relates to the final year of service under the RDG contract, and in due course the Independent Assessor will be available to speak with the Board on findings and about next year's report under the new contract.

RO's Quarterly Industry statistical report would ordinarily be released in line with an ORR data release in early April. A remaining implementation activity was to review current reports with ORR and stakeholders. That's been happening recently and continues. ORR and RO view is that it is prudent to release the next report out of sync with the normal cycle but under the revised format.

RO's annual Scheme Member Experience survey, managed in-house, will be launched in the spring – expect to launch in April.

9. HEALTH & SAFETY

The meeting took place on 1st March 2024 and the minutes were circulated to the Board.

10. A.O.B.

KG offered a separate call if required to HS and GR.

Next board meeting to be arranged.

There was no further business, and the Chair declared the meeting closed.



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John Peerless-Mountford
For and on behalf of the Board