

Minutes of the sixty-seventh meeting of the Council of tOSI

1300 on Tuesday 15 April 2008

tOSI Offices, Wilderspool Park, Greenall's Avenue, Warrington

Present:

Council: Peter Holland (Chairman)
Tony Allen
Jean Couper
Margaret Doyle
Chris Holland
Chris Kenny
Duncan Sedgwick

In Attendance: Elizabeth France (Chief Ombudsman)
Dick Sills (Ombudsman)
Ian Smith (Ombudsman)
Andrew Walker (Ombudsman)
Richard Brown (Chief Operating Officer)
Robbie Allcock (Council Secretary)
Steven Gould (Director of Professional Regulation and Consumer Protection at RICS)

The meeting was preceded at 1230 by a presentation on absence management from Jane Hannah, tOSI Human Resources Manager.

The Chairman also provided the Council with a further update on succession planning. The Chairman expressed his thanks to Chris Kenny for his contribution on this matter.

AP1: Absence Management presentation to be placed on extranet.

1 Apologies for Absence

Apologies were received from Maggie Jones and Julie Meadows. Steven Gould was in attendance as representative for the Surveyors Ombudsman Service.

2 Minutes of the Council Meeting, held on 18 March 2008

Subject to minor amendments, the Minutes were approved for publication on the tOSI website.

3 Matters Arising

- Margaret Doyle provided an update on the energy sector Pre Enquiry Case Closure (PECC) pilot. It was reported that work had taken place to track complaints which were within terms of reference (ITOR) in March (those which had been accepted for investigation by the Ombudsman). Although this action was not yet complete, it was reported that the results so far found only 16% of cases were complainants having received no response at all from the member company about their complaint. Of this 16%, 83% of the cases arose in relation to the same two member companies as had been identified initially. After a brief discussion, the Council agreed not to pursue the PECC pilot process at this stage but to pursue the matter with the companies

concerned. It was agreed that the Energy Member Board Chairman would take this forward for discussion at the next Energy Member Board meeting.

Executive to provide information on how the efficiency saving and absence management targets might be presented for 2008/09.

- At its last meeting it had been recommended that the Council should monitor staff absence. Following the presentation given prior to the meeting the Council discussed exactly what level of absence should be targeted and how often this should be reported. **After some discussion it was agreed to set an absence management target equivalent to the 'not for profit' sector average, 4.6% per year. It was further agreed that progress against the target should be reported to the Council on a quarterly basis.**
- For efficiency saving, the Chief Operating Officer suggested that there were three possible ways in which to monitor and report on this:
 1. Cost per case
 2. Productivity per head
 3. Key Performance indicators (KPIs)

After some discussion it was agreed that KPIs were a service level target and not an efficiency target, but that the executive should report on the other two areas. **The Council agreed to receive a report from the Executive on Cost per case and Productivity per head, in a format which identified any trends, on a quarterly basis.**

- The decision to include KPIs on the Agenda for the July Strategy meeting had been noted.
- Council members had provided further comments to the SOS Ombudsman and a final response and covering letter from the Chairman was sent to OFT on 7 April.
- The Executive is producing a draft a letter to new Industry Council Members for the Chairman.
- The full risk register had been placed on the Council extranet.

4 Energy sector redress scheme – draft application for approval

A draft application for approval as an Energy Sector Redress scheme was submitted to the Council. Following a brief discussion during which some concern was raised surrounding certain criteria, the draft was agreed, in principle. It was agreed that any comments should be sent to the Council Secretary by 21 April. The final application will then be sent to Ofgem by 25 April.

5 Approval of Surveyors Ombudsman Service under CEARA - update

Ian Smith confirmed that a full response to the OFT's letter of 19 February had been sent on 7 April. No further response has been received to this submission. Steven Gould also briefly commented on the RICS' recent contact with the OFT and BERR.

6 Chairman's Report

The Chairman had had a meeting with Colette Bowe (member of the Ofcom Board). He also reported that he planned to visit the six current Energy Supply member companies before October.

tOSI has received an approach, via RICS, from the British Property Federation (BPF). Steven Gould briefed the Council on the BPF – it is made up of large property organisations and would like redress for its members. Any proposal would be for their members to be accepted into membership of the Surveyors Ombudsman Service. It was also emphasised that any work for them would have to be consumer to business, as opposed to business to business. The Council agreed that further information should be sought on this matter through the Surveyors Ombudsman Service Member Board. However, the Chairman stressed that any decision to take on new work would be a matter for the Council.

tOSI expects to receive a Request For Information/Interest (RFI) from Royal Mail shortly in anticipation of the requirements placed upon the postal sector by CEARA 2007. Some concern was raised that no contact had been received from the regulator, PostComm, regarding criteria for any redress scheme. tOSI had responded to PostComm's consultation on this matter in March. There was also a discussion about the advantages and disadvantages of taking on such work. Particular concern was expressed about the lack of definition of complaints to be considered be accepted for investigation. The Chairman reiterated the Council's previous agreement that additional work should only be taken on if there was a tangible benefit to tOSI and its current Ombudsman Service members.

The Council agreed that tOSI should respond to the anticipated RFI from Royal Mail. A decision could then be made as to whether tOSI should proceed to tender for this work once the final criteria for approval has been published.

AP2: Royal Mail's RFI to be placed on the extranet when received.

7 Ombudsman's Report

Finance

The number of cases invoiced during March was 499 for Otelo and 338 for Energy. For Enquiries – Otelo contacts are 27708 ahead whilst the Energy contacts are 332 under budget. The contact ratio is now on budget at 18 contacts to every case accepted for investigation (17.96%), but this remains at 21 to 1 for Otelo and 13 to 1 for Energy.

The reserves at the end of the year of £1186k are in line with expectations. After the year end there would be write-offs from the reserves covering the building move and the IT virtualisation project. These write-offs would be balanced by the Surveyors Ombudsman Service entry fee and the staff costs recovered from the Energy Network members.

Operations

The Executive had prepared a paper for the Council setting out the progress being made to deal with the backlog of cases. It was confirmed that the performance report up to the end of March 2008 would be published in the Annual Reports. The Chief Ombudsman explained to the Council that an Annual Report would be published for each Ombudsman Service (which will include Ombudsman related items only) as well as a corporate Annual Report (which will include items relating to Finance, IT and Human Resources etc).

It was noted that the number of Energy cases was lower than the plan had assumed while Otelo cases were still increasing. The Otelo Member Board Chairman had requested more detailed data on this from the Executive for further analysis. The potential influx of cases to the Energy Ombudsman Service from 1 July when energywatch ceases to take on new cases was also taken into account in discussion. It was agreed that the Energy and Otelo Member Board Chairmen should maintain close contact on expected volumes.

The Council noted that tOSI was recruiting to increase the panel of Out Workers to 14.

Otelo

It was noted that:

- Ofcom had launched two separate investigations in March:
 1. investigation against various Communications Providers about enforcement of the requirement to implement and comply with a Dispute Resolution Scheme; and
 2. industry-wide investigation into compliance with the obligation to be a member of one of the dispute resolution schemes which are designed to deal with consumer complaints. This particular investigation has led to a small number of increased contacts to Otelo regarding membership
- Ofcom had extended its investigation into mis-leading sales and marketing practices of landline phone services.

Energy Ombudsman

A draft application from the Energy Ombudsman to Ofgem's Energy sector redress scheme approval criteria has been prepared and is tabled separately for Council consideration.

The Energy Ombudsman scheme was officially launched on 1 April, to include network operators. All Energy Ombudsman Service literature, including the website, has been re-branded to reflect this change.

The Enquiries Manger had met with energywatch to discuss the Energy Ombudsman vulnerable customer pilot.

Surveyor Ombudsman

A response had been sent to OFT's further questions in relation to the Surveyors Ombudsman Service's application for approval as an estate agents redress scheme. No further contact has been received from OFT since.

It was also noted that an interview with the Chief Ombudsman was published in the March edition of the RICS Business magazine in relation to the effects of the CEAR Act.

ICT

It was noted that as part of the ongoing project to update the Time & Attendance system and introduce a coordinated HR database, several additions have been made to the Time & Attendance system which will now provide staff with more information.

Communications

tOSI continued to exhibit its Services at the Daily Mail Ideal Home Show, Earls Court, between until 6 April.

The Communications Manager participated in a Roundtable debate for Consumer Strategy magazine on 18 March. The event was hosted by Steve Hurst, Editor of Consumer Strategy and brought together a number of senior figure heads in the public centre industry.

The Customer Satisfaction Surveys (2007/08) have been completed and the results are now being collated. The findings will be presented to the Council at its next meeting in May.

Meetings of interest to Council between 17 March and 11 April:

- 18 March: tOSI attended Ofgem micro business workshop
- 19 March: Communication Manager with energywatch in Glasgow
- 27 March: Communication Manager with energywatch in Cardiff
- 2 April: SOS Ombudsman met with Chris Hamer, Ombudsman for Estate Agents
- 8 April: Energy Ombudsman attended the European Energy Ombudsman conference

Future Meetings of interest to Council:

- 17 April: BIZZ Energy to visit tOSI
- 18 April: Members of CAN and consumer bodies to visit tOSI
- 22 April: Energy Ombudsman staff to meet with Ofgem, ERA ad ENA.

8 Otelo Member Update

A membership update was given. It was noted that the recent Ofcom enforcement announcement had led to a flurry of new members.

9 Otelo Member Board Report

The Otelo Member Board Chairman reported on the last Member Board meeting which took place by teleconference on 26 March. The costs of the Otelo service for 2008/09 had been communicated to all Otelo member companies and Board Member Tony Dixon had provided positive feedback on Julie Meadow's Chairmanship of the Audit Committee and tOSI's Risk Management strategy. The election process for three new Board members (two Group A and one Group B) will also commence shortly.

The Board would discuss the ratio of contacts to cases at its next meeting. Both the Chief Ombudsman and, Andrew Walker, had accepted invitations to attend.

10 Energy Member Board Report

The Energy Member Board Chairman reported that, following the scheme change on 1 April, energy network companies were now members of the Service. This had led to a change in the constitution of the Member Board, which will now consist of three Suppliers, one ERA representative, one ENA representative and also the independent Council representative.

The Chairman of the Board will be elected at the first meeting of the Energy Ombudsman Service on 22 April. Once independent companies become members a representative will also be included on the Member Board.

11 Surveyors Member Board Report

No formal meetings had taken place since the last Council meeting. The next meeting will be held on 28 April.

Steven Gould confirmed that the RICS Management Board had agreed for RICS to fund the second operational year of the Service.

12 Finance Board

The Finance Board Chair (Jean Couper) reported on the last meeting, held on 1 April.

The following topics were noted:

- Subject to some minor amendments the Board approved the tOSI Business Plan for 2008/09.
- It was agreed that the existing strategy for investment was 'risk free' and there was unanimous agreement not to ask for a higher risk based strategy.
- The Board agreed increases to the salaries of all Independent Directors.
- The Board discussed tOSI Reserves and cost attribution. The following actions were agreed:
 1. The cost attribution for Financial Year 2007/08.
 2. To draw up a statement of general protocol.
 3. To initially set out materiality at 5%
 4. To review on a quarterly basis.
- The Board also discussed its role. The Board would like to broaden its remit to incorporate some form of longer term financial planning, at the same time ensuring its deliberations did not cut across the remits of the tOSI Council, Member Boards or Audit Committee. It was noted that this would require a change to the Articles of Association at the next General meeting in July. The Council agreed to this change in principle and requested that a draft be presented at the next Council meeting.

AP3: Draft amendment to Articles to be presented to Council at its May meeting to cover the proposed change to the Finance Board remit.

13 AOB

The Energy Member Board Chairman reported that the energy representative on the Audit Committee and Finance Board was no longer on the Member Board. It was confirmed that there was no constitutional bar to this.

Roger Jefferies had published his first report in his role as tOSI's Independent Assessor, covering the period July 2007 to March 2008. The full report will be placed on the extranet and published with the annual report.

A list of attendees from tOSI (both staff and Council) for the BIOA conference in May was circulated.

AP4: Independent Assessor's report to be placed on extranet

Time & Date of Next Meeting

13:00 on 20 May 2008 at the offices of tOSI, Wilderspool Park, Greenall's Avenue,
Warrington WA4 6HL.