

**Minutes of the Ninety Ninth Meeting of the
Office for Legal Complaints (OLC)**

Thursday 24 October 2019

10:30 – 14:20

Present:

Wanda Goldwag, Chair

Lis Bellamy

Rod Bulmer

Rebecca Hilsenrath

Shrinivas Honap

Annette Lovell

Jane Martin

Board Secretary:

Kay Kershaw

In attendance:

Rebecca Marsh, Chief Ombudsman

Brendan Arnold, Director of Corporate Services

Matthew Hill, CEO, Legal Services Board

David Eveleigh, Board Member, Legal Services Board
(items 1-6 by telephone).

Kerensa Scott, PA to the Chief Ombudsman, Staff
Observer

Steve Pearson, Head Ombudsman (items 2 to 10)

Mariette Hughes, Head Ombudsman (item 2 to 10)

Alex Moore, External Affairs Team Leader (items 6 and 7)

Sarah Ritzenthaler, Parliamentary and Policy Officer (items
7 and 12)

Siobhan Fennell, Head Ombudsman (item 7)

Sam Argyle, Senior Ombudsman (item 10)

Claire Evans, Independent Service Complaint Adjudicator
(item 10 by telephone)

Preliminary issues:

The Board meeting was quorate.

Item 1 – Welcome, apologies and declaration of conflict of interest

1. The Chair welcomed attendees to the meeting.
2. There were no apologies.
3. There were no conflicts of interest reported.

Item 2 – Executive report

4. The Chief Ombudsman presented her executive report which highlighted the continued focus on improving the customer experience through driving improvement in delivery and reducing front-end waiting times.

5. The organisation was now seeing the positive outcome of work undertaken over the last six months to address the variance in operational performance. A greater consistency was now being seen in team performance which has led to an increased confidence in the overall sustainability of organisational performance.
6. The Board was assured that there was no complacency as a result of the improvements seen in operational performance and that the organisation continued to work hard to ensure that its improvement trajectory remained in line with expectations. The new 2020/23 OLC strategy and the new 2020/21 Business Plan, Budget and People Plan would all reflect this commitment.
7. The Chief Ombudsman reported on the impact of the workload on the Senior Management Team and the challenges they faced.
8. The Board discussed the impact of transformational change on the workforce and was assured that LeO's support frameworks and improvements in recruitment were helping staff to meet transformational challenges. In November, the final team would start working under the Quality and Feedback Model.
9. Staff confidence and morale did not yet reflect the positive improvement seen in performance. It was hoped that staff engagement in the new OLC Strategy and Business Plan would provide the opportunity to begin specifically to address this.
10. Following discussion, it was recommended that the following information be included in the Road Map to Green document:
 - The number of cases expected in the pre-assessment pool at year end.
 - The delta between poor performing groups and performing groups.

The DCS advised that the first of these points was already in the latest version.

ACTION: DCS to amend the Road Map to Green as set out above if on further consultation with the Chair this was thought to be helpful

11. The Board also recommended that any qualitative issues in regard to service complaints received should be reported in the Executive report.

ACTION: The Chief Ombudsman to report on any qualitative issues in regard to service complaints received in the Executive Report.
12. The Board was very pleased with the continued improvement in performance and the progress that had been made to date. The Board praised the hard work and efforts of staff across the organisation in achieving this and commended the Chief Ombudsman on the progress she had achieved in her first six months in the combined CEO role.
13. The Board **noted** the executive report.

Item 3 – Finance report – September 2019

14. The Director of Corporate Services (DCS) presented a paper reporting on the financial position at the end of month 6 (September 2019) and provided a commentary on the key issues in the management accounts.
15. At the end of September, a revenue underspend of £130k was reported. This was largely due to the delay in a number of commitments funded from the September

budget allocation which had yet to be expensed. It was envisaged that balance would be achieved by the end of the financial year. A reforecasting exercise would take place at the end of period 7.

16. The Board gave a clear message to the executive that an underspend on staffing at the end of the year is to be avoided.
17. There were no issues to report around budgetary income.
18. Unit cost was expected to remain in line with the plan at around £1600 - £1700.
19. The HR team was commended for its work on recruitment. The last recruitment campaign resulted in 13 of 16 candidates being offered jobs.
20. The Board was concerned about the attrition rates amongst probationary staff and questioned whether there might be a disconnect between LeO's policies and value proposition and a new starters actual experiences of the job. In light of this, the Board asked for the last two groups of new starters to be tracked in order to monitor their outcomes and experience during their probationary period.

ACTION: Head of HR to track the last two groups of new recruits and monitor their outcomes and experience during their probationary period.

21. A discussion took place about the optimal length of time taken in ombudsmanry to fully induct a new member of staff. In the world of ombudsmanry, this was considered to be three years, but at LeO induction was completed within 6 months. The Board discussed the impact of this intensive induction on resources and asked the Executive whether they were confident that induction could be successfully completed in such a limited time.
22. In response, the Chief Ombudsman reported on how the Quality and Feedback Model enabled the organisation to provide the right support during the induction period. Additionally, the continuing development of Line Managers to support both new and existing staff development ensured that they have the required skills.
23. In response to a question from the Board, the DCS confirmed that the 2020/21 budget would reflect the anticipated attrition rates of new starters.
24. Historically, attrition rates at LeO were around 21-22%. This rate was now stable. The Board acknowledged that attrition rates were higher in the Public Sector than the Private Sector, but in the absence of local comparative data they were unable to form a view on whether this was an acceptable level for LeO. Matthew Hill offered to broker a conversation with a Birmingham based organisation to assist LeO in obtaining some comparative data to assist the Board.

ACTION: Matthew Hill to broker a conversation with his former employer to assist LeO in obtaining comparative data on attrition rates and recruitment.

25. The Chair reported on possible recruitment challenges as more government organisations move to Birmingham.
26. The Board **noted** the finance report.

Item 4 – Performance report

27. The Head Ombudsman, Steve Pearson, presented a paper setting out an update on performance through September 2019.
28. Performance continued on a positive trajectory. Closures in July and August met and exceeded target and in September exceeded 600 closures.
29. The number of cases in the pre-assessment pool continued to decrease. This was being closely monitored to ensure that improvements remained in line with the plan.
30. Following discussion, it was recommended that the following changes were made to future performance reports:
 - Include the draft end to end KPI – it was felt that this would be a useful measure to include as the organisation moved towards its new 2020/23 strategy.
 - Include the cumulative number of closures.
 - Remove the column setting out the tolerance range.
 - Include a column to explain the reason why a target is not met.

ACTION: The DCS to include the information listed above in future performance reports if not already present

31. The Board asked the Head Ombudsman to review the closure targets for the remainder of the year in order to provide assurance on whether they were achievable.

ACTION: Head Ombudsman to review the closure targets for the rest of the year to provide assurance on whether they were achievable and the DCS to amend the performance report in accordance with Boards requirements.
32. The Board was assured that daily meetings of the Senior Management Team took place in order to review and drive performance at a granular level and to respond to any issues that might prevent targets being met.
33. The Head Ombudsman advised that monthly closure targets were adjusted to reflect staffing levels during holiday periods.
34. The Board **noted** the performance report.

Item 5 – Update from the Legal Services Board (LSB)

35. Matthew Hill discussed the LSB's responsibility for overseeing the performance of OLC. He encouraged the OLC not to see the process as one of scrutiny, but rather of building confidence among those – principally LSB and MoJ, but also stakeholders more widely – who had legitimate (and in the case of LSB a statutory) interest.
36. He made it clear that LSB had a strong desire to see the OLC succeed, indeed his priority was to get to a position where LSB could point to the OLC (and LeO) as the state of the art in terms of complaint handling and extracting and disseminating

learning to the sector. However, his view was that improving performance encompassed the building of confidence he referred to earlier.

37. The Chair reported on the impact of multiple data requests on LeO and asked the LSB to take into account the size of the organisation when it sought information in order not to over burden the Management Team.
38. A discussion took place about what else the OLC / LeO could improve on in order to provide greater levels of trust and confidence to its stakeholders. In response, David Eveleigh advised that the organisation should increase its visibility and engage more with stakeholders in order to give them a better understanding of the organisation's work and the costs associated with it.
39. The Chief Ombudsman reported that a discovery session is being undertaken with the Council for Licenced Conveyancers on 29 October.
40. A discussion took place about the long term impact and challenges associated with the OLC's accounts being qualified in the past. The Board highlighted that none of its current Members or Executive Team were involved in these historical events. Matthew assured the Board that in his albeit short experience of the LSB, while it was clear that historical governance issues were recognised, there was no suggestion that they attached in any way to current management. His experience was that the historical issues were thought of as nothing more than an indication of how far the OLC had come and the challenges it had overcome.
41. Matthew reported on other key matters of focus for the LSB, which included the early development of the LSB's 2021 strategy, identifying further improvement to the OLC's Voluntary Assurance Letter and implementing changes to the LSBs Governance Rules.
42. The Board **noted** the update from the Legal Services Board.

Item 6 – OLC Draft 202/21 Budget Principles

43. The DCS presented a draft paper setting out the over-arching principles for the development of the OLC's 2020/21 budget.
44. In discussion, the Board sought clarity on some of the points set out in the paper and provided comments and recommendations to assist with its further development. Once finalised, the paper be submitted to the LSB for consideration at its Board meeting on 26 November.
45. It was **agreed** that the paper would be updated to reflect the Board's feedback and re-circulated to the Board out of committee for agreement.

ACTION: DCS to update the Draft 2020/21 Budget Principles paper and re-circulate to the Board out of committee for agreement.

46. The Board **noted** the Draft 2020/21 Budget Principles paper.

Item 7 – OLC 2020/23 strategy, business plan and budget consultation

47. The Board reviewed and commented on the proposed consultation paper on the 2020/23 Strategy and 2020/21 Business Plan and Budget and provided feedback for further development.

48. It was **agreed** that the paper would be updated to reflect the Board's feedback and re-circulated to the Board for approval out of committee for approval.

ACTION: The External Affairs Team Leader to update the draft 2020/23 consultation paper and re-circulate to the Board out of committee for approval.

Item 8 – Mediated Solutions review

49. Head Ombudsman, Mariette Hughes, presented a paper setting out the findings of three mediated solutions initiatives that had been trialled in order to understand whether there were any potential benefits to the organisation.
50. The Board was advised that the pilot on mediation had not yielded the results that had been hoped for. Overall, the pilots indicated that there was some scope for improvement to LeO's early engagement with complainants and service providers at the front-end of the business process.
51. The Executive would be considering how best to integrate this, including insights from the Mediator, with a view to encouraging early resolution of complaints and improving the customer experience.
52. A copy of the Mediator's full report, due to be received in November, would be forwarded to the Board.

ACTION: Head Ombudsman to forward a copy of the Mediator's full report to the Board.

53. The Board **noted** the mediated solutions review and the longer term value to the organisation that would be achieved through the learning gained.

Item 9 – Modernising LeO post completion review report

54. The Board **noted** a paper setting out the key activity that had taken place since the final Modernising LeO Programme update.

Item 10 – Service Complaint Adjudicator's interim report for 2019/20

55. The Independent Service Complaint Adjudicator (SCA) presented her interim report for 2019/20.
56. The SCA reported an increase in the number of stage 3 service complaints seen this year which largely related to matters of dissatisfaction in wait times for cases to be allocated to investigators in 2017 and 2018.
57. The SCA was pleased by the positive improvements introduced at stage 2 of the service complaint process which had resulted in the speedier resolution of complaints and improved learning into the wider quality agenda.
58. In discussion, the SCA reported that she had seen no evidence to suggest that investigators lacked attention to detail when dealing with their cases.
59. The Board **noted** the Service Complaint Adjudicator's interim report for 2019/20

Item 11 – ARAC Update

60. The Chair of ARAC provided an update on discussions that took place at the last ARAC meeting on 7 October which included: the Risk Assurance Framework; Information Rights, Security Incidents and Cyber Security; the Information Commissioners Office voluntary audit; updates from Internal and External Audit; updates on the progress being made on actions arising from internal audits and the ARAC annual effectiveness self-assessment.
61. The ARAC Chair reported on the progress being made on reviewing the ARAC Terms of Reference.
62. The Board **noted** the ARAC update.

Item 12 – Horizon Scanning

63. Parliamentary and Policy Officer presented a verbal update on horizon scanning.
64. The Board was advised of a report published on 24 October by the Commission on Justice in Wales recommending that Wales should have a separate legal justice system. The Board discussed the implications of the recommendations to both the Legal Ombudsman and other Ministry of Justice Arms Length Bodies.
65. It was agreed that a link to the full report would be circulated to the Board for further review.

ACTION: Parliamentary and Policy Officer to circulate a link to the report published by the Commission on Justice in Wales to the Board.

66. The Board was advised of the Lord Chancellor's decision to drop probate charges; a proposal for damages based agreements to be reformed and of the findings of research that identified reputation and trust, rather than price, as determining factors for new business at law firms.
67. The Board discussed the launch of the consultation on the SRA's new corporate strategy. In discussion it was **agreed** that Lis Bellamy would be the Board Lead on responding to this consultation.

Item 13 – Previous minutes

68. The minutes of the OLC Board meeting held on 26 September 2019 were **approved** for accuracy and **approved** for publication.
ACTION: Board Secretary to publish the minutes of the OLC Board meeting held on 26 September 2019.
69. The minutes of the ARAC meeting held on 1 July 2019 were **approved** for publication.
ACTION: Board Secretary to publish the minutes of the ARAC meeting held on 1 July 2019.

Item 14 – Outstanding actions from previous meetings

70. The Board **noted** the update on the actions from previous meeting.

Item 15 – Transparency Reports

71. The Board **approved** for publication the following transparency report for quarter two:

- Board and Ombudsman Register of Interests.
- Gifts and Hospitality report.
- Board and Senior Manager Expenses report.

ACTION: Board Secretary to publish the quarter two transparency reports.

Item 16 – October Board paper redactions and non-disclosure

72. The Board reviewed a paper setting out the redactions and items for non-disclosure proposed in respect of the October Board papers.

73. The Board **approved** the items identified for redaction and non-disclosure.

ACTION: Board Secretary to publish the October Board papers subject to the approved redactions and items for non-disclosure.

Item 15 – Any Other Business

74. The recruitment timetable for the new Chair, following the end of the current Chair's term, was discussed.