

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

Monday 29 April 2019

10:30 – 15:00

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

Steve Pearson, Head Ombudsman (items 6 to 11)

Mariette Hughes, Head Ombudsman (item 6 to 11)

Sarah Ritzenthaler, Parliamentary and Policy Officer (item 8)

Sarah Chambers, Chair of the Legal Services Consumer Panel, (item 11)

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 and formally welcomed Shrinivas Honap and Rod Bulmer to their first meeting.
2. There were no apologies.
3. Rebecca Hilsenrath declared that she has been appointed as Chair of the Association of Chief Executives and Shrinivas Honap declared that he was a panel member of the Competition and Markets Authority. The OLC Register of Interests will be updated accordingly.

ACTION: Board Secretary to update the OLC Register of Interests.

Item 2 – Approval of previous minutes and matters arising and outstanding actions from previous minutes

4. The minutes of the OLC Board meeting held on 20 March 2019 were **approved** for accuracy and **approved** for publication.

ACTION: Board Secretary to publish the minutes of the OLC Board meeting held on 20 March 2019.

5. The Board **ratified** a decision made out of committee to **approve** updates to the 2019/20 Business Plan to reflect Board Members feedback provided at the March Board meeting. The 2019/20 Business Plan has subsequently been published.
6. The Board **noted** the update on the actions from previous meeting.

Item 3 - Standing reports

Executive report

7. The Chief Ombudsman presented her executive report which summarised the organisation's position at the end of 2018/19, outlined the current key areas of focus and reported on the Chief Ombudsman and OLC Chair's meetings with key stakeholders.
8. At the end of 2018/19, significant organisational improvements had been achieved. New ways of working resulted in improved timeliness, quality and the elimination of lengthy wait times for Ombudsman decisions. Changes to the front-end of the business process resulted in improved support at first contact and improved visibility of the customer experience. The successful delivery of the Modernising LeO programme resulted in an improved infrastructure.
9. As a result of the improvements made to the front end of the business process, the organisation now has a high volume of cases awaiting assessment; this gives the external perception of decreased performance, but is in fact the consequence of the transition to the new business process.
10. Since January 2019, the number of assessment cases had reduced from over 3,000 to around 2,900 at the end of March. Reducing the volume of these cases was a key priority for the Chief Ombudsman and, in line with an action from the March Board meeting, she confirmed that she would be tabling options on how to progress these cases in a planned way at the June Board meeting.
11. Other areas of key focus for the Chief Ombudsman in 2019/20 include: developing a stronger external narrative in order to build trust and confidence in the organisation; continuing to improve internal capacity and capability through improved recruitment, the introduction of the Quality and Feedback (QAF) Model and improving staff engagement.
12. The Board questioned what assurance measures would be put in place to evidence that the QAF was effective. The Chief Ombudsman advised that assurance measures were currently being developed; this information would be reported subsequently.
13. The Chair requested that assurance on QAF was reported to the Board at a suitable juncture.
ACTION: Chief Ombudsman to ensure that assurance relating to the effectiveness of QAF is reported to the Board.
14. Aside from the volume of cases awaiting assessment, and the unpredictability of case re-allocations due to staff absence, case flow was broadly on an even keel with new case allocations and case closures being equal in numbers.

15. The Board **noted** the update on external meetings attended by the Chief Ombudsman and Chair.
16. The Board **noted** the update on legal matters that had been issued separately under legal privilege.
17. The Board **noted** the Executive report.

Finance Report

18. The Director of Corporate Services (DCS) presented a paper reporting on the provisional financial position at the end of month 12 and a commentary on the key issues in the management accounts. It was **noted** that the figures may change when the final 2018/19 financial position is confirmed.
19. An underspend for the year of £147,000 (1.1%) against forecast was reported along with variance on other income.
20. The 2019/20 budget had been approved by the LSB and MoJ.
21. Preparations are underway for the 2018/19 Annual report and Accounts.
22. The Board **noted** the finance report.

Item 4 – Transparency publications reports

23. Subject to minor amendments, the Board **approved** for publication the following transparency reports for quarter for:
 - a. Gifts and Hospitality report
 - b. Board and Senior Manager Expenses report
 - c. Board and Ombudsman Register of Interests.

ACTION: Board Secretary to publish the quarter four transparency reports, subject to minor amendments.

Item 5 – Independent Service Complaint Adjudicator’s Annual Report 2018-19

24. The Chief Ombudsman presented the Independent Service Complaint Adjudicator’s (SCA) Annual Report for 2018-19 which set out the outcome of the service complaints considered throughout the business year.
16. A summary report by the SCA is to be included in LeO’s Annual Report and Accounts.
25. In discussion, the Chief Ombudsman commented on how important it had been to have an independent view on service complaints during the period of modernisation and how she valued the measured and considered approach of the SCA.
26. Over the year, the SCA had made recommendations for service improvement which have enabled the organisation to improve customer experience.

27. The Chief Ombudsman advised the Board on internal quality assurance measures that were in place to mitigate the risk of service complaints and advised on proposed changes to the management of stage two service complaints.
28. The Board **noted** the Independent Service Complaint Adjudicator's Annual Report 2018-19.

Item 6 Quarterly Strategic and Performance Report

29. Head Ombudsman, Steve Pearson, presented the quarterly strategic and performance report which summarised corporate and operational performance at the end of quarter four.
30. Operational performance for quarter four and for the financial year 2018/19 had been below the delivery plan.
31. Performance had been impacted by a higher than expected number of case re-allocations as a result of staff absence and staff turnover. The Board **noted** that operational resourcing remained a significant risk and that there was a risk of further staff turnover due to increasing competition in the local labour market.
32. The Board was reassured to learn that recruitment was underway to Operational roles and that more recruitment was planned. The Head Ombudsman reminded the Board that there was always a time lag between recruitment and any positive impact being seen on performance and anticipated that it would be the middle of quarter two before an increase in performance was seen following the latest round of recruitment.
33. The Board asked for an opportunity to understand the outcome of the QAF model at a suitable point.

ACTION: Head Ombudsman to ensure that the Board receives a report in the October which reviews progress with the QAF to that point.

34. The roll out of the QAF and the introduction of workload management guidance were expected to have a positive impact on performance.
35. The Board welcomed the Executive's ongoing focus on driving work to develop a high performance culture and acknowledged its impact on operational resourcing.
36. The Board acknowledged the imminent return of the Legacy Team to Operations and the anticipated impact this would have on further performance improvement, but questioned whether this was the right approach in light of the fact that there were still legacy cases outstanding.
37. In discussion, the Head Ombudsman confirmed that 438 legacy cases remained at the time of writing his report and these were expected to be closed by the end of June / early July 2019.
38. Legacy cases were currently behind the delivery plan, but this was as a result of old suspended cases returning and being re-opened for investigation and not as a result in a drop in team performance.
39. The Board stressed that its priority was for all legacy cases, where at all possible, to be closed by the end of June.

ACTION: Head Ombudsman to ensure, where possible, that all legacy cases are closed by the end of June.

40. Performance against timeliness KPIs remained broadly positive, but the closure of legacy cases had contributed to the non-attainment of KPIs for 180 and 365 day timeliness in 2018/19.
41. The KPI's for new cases in 2018/19 had largely been met; this provided the Board with a level of confidence that the improvements that had already been made to case handling were delivering real benefits. This in turn provided a level of confidence that the planning assumptions built into the latest business plan were suitable.
42. The Board was pleased to see progress in attaining business plan deliverables in 2018/19.
43. At the end of quarter four, two of the strategic risks were at target and three were above target. None of the risks had increased. The Operational Resource risk remained at black status.
44. The Board was pleased to learn that the transfer of the CMC jurisdiction to the Financial Ombudsman Service had been accomplished successfully.
45. The Board **noted** the closure of the Modernising LeO programme following attainment of all project deliverables and the progress that had been made in modernising the organisation.
46. Overall the Board remained concerned about performance and would not feel that performance was satisfactory until there was sustainable and proven delivery against the new KPIs. A period of consolidation of performance was expected in 2019-20 towards sustainable, consistent performance and output as the Legal Ombudsman begins to derive the full benefits of the improvements put in place.
47. The Board **noted** the strategic and performance report.

Item 7 – Quarterly Modernising LeO Report

48. Head Ombudsman, Mariette Hughes, presented the final Modernising LeO report.
49. The Modernising LeO programme, having completed its objectives, closed in March 2019. A small number of outstanding project deliverables have been transferred to business as usual.
50. The Management Team have taken over the monitoring of benefits realisation and would make a report on this in the form of a post completion review to the Board in six months' time.

ACTION: Head Ombudsman to report a Post Completion Review to the Board in October 2019.

51. In discussion, the Head Ombudsman confirmed that any requests for enhancements to the CMS were required to go through design authority where decisions would be made to ensure the necessity of any enhancements and the timescales within which they could be delivered. There were currently no requests for fundamental system changes, although some changes would be required to

meet the requirements of the QAF. The Board stated that major systems changes this year should be avoided if possible.

52. The Board **noted** the final Modernising LeO Report.

Item 8 – Horizon Scanning

53. The Parliamentary and Policy Officer presented a paper on April's horizon scan.

54. The paper provided an analysis of recent developments in regard to leasehold reforms; the SRA's residential conveyancing thematic review; the increase in law firm insolvencies in 2018; the consultation on fixed recoverable costs for litigation; the new graduated structure for probate fees; reform of the divorce process; the court ruling on success fees in personal injury claims; the BSB's access to justice as set out in its new strategic plan; changes to the SDT standard of proof; the 'Legal services are GREAT' campaign, and details of new appointments.

55. In discussion it was **noted** that the horizon scan had highlighted a number of changes in specific areas of law that might impact on the Legal Ombudsman, but as it was currently unclear when these changes might impact the organisation, they would be closely monitored.

56. Following discussion, the Parliamentary and Policy Officer advised that she would give consideration to how she could link the horizon scan to the performance report.

57. The Board **noted** the horizon scan.

Item 9 - Board paper redactions

58. The Board reviewed a paper setting out proposed redactions to the April Board papers.

59. The Board **approved** the proposed redactions.

60. The Board **approved** the publication of the April Board papers, subject to the approved redactions.

ACTION: Board Secretary to publish the April Board papers subject to the approved redactions.

Item 10 – Any Other Business

61. The Chair reported that she was looking to set dates for the 2020 Board meetings. A selection of proposed dates would be sent to Board members via a Doodle Poll email so that they could indicate their availability to attend. Where possible the Chair would like all Board members present at meetings.