

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

**24 June 2019**

**10:30 - 15.00**

**Legal Ombudsman, Birmingham**

**Present:**

Wanda Goldwag, Chair

Lis Bellamy

Rebecca Hilsenrath

Jane Martin

Annette Lovell

Shrinivas Honap

Rod Bulmer

**Board Secretary:**

Teresa Mulrennan

Michelle Hitchman

**In attendance:**

Rebecca Marsh, Chief Ombudsman (CO)

Brendan Arnold, Director of Corporate Services (DCS)

Steve Pearson, Head Ombudsman (items 5 & 6)

Mariette Hughes, Head Ombudsman (item 5 & 12)

Taran Hayre, Legal Manager (item 11)

Sarah Ritzenthaler, Parliamentary and Policy Officer (item 13 )

**Preliminary issues:**

The Board meeting was quorate.

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

1. The chair welcomed everyone to the meeting and noted that Teresa Mulrennan and Michelle Hitchman were present to take the minutes in Kay Kershaw's absence.
2. Apologies noted from Kay Kershaw.
3. Lis Bellamy declared that she was undertaking work for Ashfords LLP in Exeter. The register of interests will be updated.
4. There were no other conflict of interest declared.

**ACTION: Board Secretary to update Register of Interests accordingly.**

## Item 2 – Approval of previous minutes

5. The minutes of the OLC Board meeting held on 29 April 2019 were **approved** for accuracy and publication.

**ACTION: Board Secretary to publish the minutes of the OLC Board meeting held on 29 April 2019**

6. The minutes of the RemCo meeting held on 27 February 2019 were **approved** for publication.

**ACTION: Board secretary to publish the minutes of the RemCo meeting held on 27 February 2019**

The minutes of the ARAC meeting held on 11 March 2019 2018 were **approved** for publication.

**ACTION: Board Secretary to publish the minutes of the ARAC meeting held on 11 March 2019**

## Item 3 - Matters arising and outstanding actions from previous minutes

8. The Board **ratified** a decision made out of the committee on 29 May 2019 to approve the appointment of five Level 1 Ombudsman.
9. The DSC provided an update on the remaining outstanding action relating to the RemCo Terms of Reference.
10. The board **noted** the update on actions from previous meeting.

## Item 4 - Executive Report

11. The CO presented her Executive Report setting out key issues arising since the April Board meeting, including updates on meetings with key stakeholders
12. The CO has continued to be focussed on building trust and confidence in LeO through engagement with our external stakeholders. This included open discussions on plans and progress to develop a consistently high-performing culture at LeO with MoJ. The CO is clear that improved performance, and therefore more timely outcomes for consumers who use our services, is key in these endeavours.
13. The CO gave the Board insight into the current work on driving a high performance culture and suggested that RemCo take the detail in a report on behalf of the Board.
14. The Chair requested that RemCo's consideration of such issues be reported to Board via the Chair of RemCo.

15. The CO acknowledged the challenges of being a small organisation with the necessary work to drive improvements in performance largely being absorbed as part of BAU, but has demonstrated that issues are being addressed in a robust way with a view to fixing them once and permanently, rather than temporary solutions. It was also noted that the external environment was challenging at present, and dealing with this was taking up time.
16. The CO noted improvements in engagement and relationships with regulators.
17. Members provided further feedback for improvements to be made to the Board Reports and the assurance letter provided to LSB, in order to support the levels of trust, including a requirement that Board reports should be limited to 2 pages.
18. The Board **noted** the update on external meetings attended by the CO and Chair.
19. The Board **noted** the Executive Report.

**ACTION: RemCo members to receive an off agenda brief on the high performance culture work underway and report back to Board its view of that work.**

**ACTION: The Executive to ensure Board Papers are no longer than 2 pages.**

#### **Item 5 - Files Awaiting Assessment – Forecast**

20. The DCS set out the key message which was that the number of files in the Pre Assessment Pool had been 3,200 at the end of March and that this had reduced to 2,670 by June 24. It was forecast that by March 2020 the number of files would reduce to 1,900 +/- 10%. The DCS further explained that this would enable improvements to the customer journey so that time spent waiting in the Pre-Assessment Pool would be reduced by half.
21. Board discussed the report. Although the improvements referred to were welcomed, there was a strong feeling that means of further reductions needed to be found.
22. The Chair invited insight from the Board to make suggestions or recommendations based on their experiences in industry to achieve improvements.
23. An active discussion occurred with various ideas being explored to determine case disposition and how to achieve improvements without additional resources or a reduction in attention to the long term improvement journey.
24. The Board also enquired after the optimal level of files in the Pre-Assessment Pool. It was explained that further modelling would need to be undertaken but that such a view would be based primarily on the customer journey rather than the size of the Pool per se. It was further explained that additional modelling

would need to be undertaken in preparing the budget and business plan for the following year and so would be available as part of those discussions.

25. The DCS reminded the Board that since 2011/12 the resources available to LeO had been reduced by 46%. Accordingly the report also contained a recommendation to bid for additional resources.
26. Following a discussion Board recognised the difficulties involved in trying to improve performance with reduced resources, but still felt unable to support the prospect of a bid.

### **Item 6 - Performance Report including KPI Tolerances**

27. Head Ombudsman, Steve Pearson presented the Performance Report which shows KPI and operational performance for the first 2 months of 2019/2020. To date, performance against KPIs remains positive, with only timeliness on the 365 day target outside of tolerance. This has been impacted by the closure of the remaining legacy cases.
28. Members asked where performance is anticipated to be by the end of Q1. Steve Pearson confirmed we expect to remain within our quarterly target.
29. The legacy team are on track to close the majority of their cases this month, barring a few anomalies. This will free up high performing staff from this team together with high performing staff across the rest of the organisation to form part of the low complexity, high output team.
30. Board Members noted the profiled increase in case closure and requested assurance on the incremental improvements built in over the year.

**ACTION: Head Ombudsman to produce paper off agenda explaining the variation between the level of performance in periods 1 and 2 and the substantial increase implied by the targets in the later part of the year.**

31. In response to a question from the Board the Head Ombudsman confirmed that overtime was offered but with minimum take up and the Pool Ombudsmen were operating at capacity.
32. The Chair reminded the Executive of last year's position and to ensure that there was no risk of salary underspend.
33. The DCS assured the Board that full salary forecasts were updated every 4 to 5 weeks and the recruitment process was now more streamlined and productive.
34. Board members **noted** the Performance Report.

## Item 7 - Finance Report

35. In Emma Cartwright's absence, the DCS presented a paper reporting on the provisional financial position at the end of month 2 and the key issues in the management accounts.
36. The paper reported a revenue underspend against budget for the year to date of £33k (1.8%).
37. A Board Member sought clarification on the unit costs to date and the interest receivable figure.
38. The DCS agreed to check this and report back to Board Members outside of the meeting.

**ACTION: DCS to update Board Members with information requested as above.**

39. The Chair asked for an update on investigations into renting out unused office space.
40. DCS confirmed that initially investigations suggested that there would be limited interest, due to a number of external factors including the government hub that is due to open in the area soon.
41. The Chair would like further investigations into this matter.

**ACTION: DCS to circulate briefing note off agenda on options for renting out un-used office space.**

## Item 8 - Annual Report and Accounts 2018/19

42. The CO presented the Annual Report and Accounts 2018/19 for approval and comment.
43. The CO confirmed that the revised date of 10 July to review the Annual Report & Accounts with the Rt. Hon Lord Keen and meant these timescales for laying the Report and Accounts were tight but achievable.
44. The DCS confirmed that out of board approval would be required from the board. ARAC will discuss the report on the 1<sup>st</sup> July, so approvals will need to take place after this date by email.
45. The Chair confirmed that the report is a fair account of the year, including the positive elements

46. Board Members made no urgent comments on the report but understood that it will require further out of committee approval. The Chair of ARAC noted he had seen the draft report and felt that there would be no significant challenge from ARAC.

#### **Item 9 - ARAC Update on meeting held on 15 May 2019**

47. The Chair of ARAC updated the Board on discussions held at the Committee's meeting on 15 May 2019.
48. Key issues discussed included the Risk Register, Information Rights and Information Security and the Risk Register Review with Management Team who were tasked to provide a more detailed action plan to address key risks. The annual accounts were also approved.
49. The Board **noted** the verbal ARAC update.

#### **Item 10 - RemCo Update on meeting held on 9 May 2019**

50. The Chair of RemCo updated the Board on discussions held at the Committee's last meeting on 9 May 2019.
51. The Reward and Recognition scheme was approved however further work is required on the Grievance and Disciplinary policies. The committee was content with the equalities trends and the Apprenticeship scheme. The chair confirmed a telecon has been scheduled on July 16 to discuss the first draft of the amended Terms of Reference.
52. The Board **noted** the verbal RemCo update.

#### **Item 11 - Annual Report on Enforcement**

53. Legal Manager, Taran Hayre presented a paper on Enforcement detailing figures of decisions made by Ombudsmen not to enforce a remedy. The report covers the period June 2018 to May 2019.

54.

**FOI Exempt: s.36(2) (b); s.36 (2) (c); s.42; s.44**

55. Discussions were had on the figures, performance, the lengthy process of enforcement – often dictated by involvement with the courts and impacted by case complexity, and the resource constraints under which we are working.
56. It was noted that Judicial Reviews (JRs) were given priority by the Legal Team and that we had received unusually high levels of JRs.

57. The Board **noted** the Enforcement Report.

### **Item 12 - Initiatives for Delivery – Preliminary Scope**

58. Head Ombudsman, Mariette Hughes presented a paper reviewing 3 new initiative options for delivery in order to see if any efficiencies can be realised by working differently. Options considered were: mediated solutions; geographical hubs and external delivery partner
59. Externalisation – it was noted that legal advice is being sought and following this a more in depth paper will be presented in due course.
60. Geographical Hubs – currently there is no immediate pressing need for this and therefore a decision has been made to put this on hold
61. Mediation was reviewed and extensively discussed including the risks involved and resources required to run a pilot. Clarification was sought around how any mediation pilot would interface with our existing processes. It is critical that we retain any learning from mediation so that this can be fed back to the profession.
62. The Chair confirmed that no further funding would be sought to resource a pilot and therefore other options should be explored. Collaborative working and the possibility of sabbatical arrangements with other organisations who use mediation were noted as possible options for further investigation.
63. The DCS reminded Board that the 2019/20 Business Plan had been approved by Board and the LSB only 12 weeks ago and that taking resources out of the line to build and operate a service offer around mediated solutions represented a risk to the attainment and delivery of the Business Plan.
64. The Board requested a report for their July meeting at which the nature and scope of the proposed pilot could be better understood and the costs and benefits set out, including the costs of lost production and risks to Plan.

**ACTION: Head Ombudsman to report to the July Board accordingly**

### **Item 13 - Horizon Scanning**

65. The Parliamentary and Policy Officer, Sarah Ritzenthaler presented a paper on June's horizon scan. The main topics highlighted were the Civil Justice Council report on ADR, CMA and the legal regulation review being completed by Professor Stephen Mayson, SRA Professional Indemnity Insurance and the FCA fee cap for personal injury claims.
66. The team are currently in the process of creating a log of issues from each months horizon scan to track and determine if their impact on demand is as anticipated.

67. The results of the UK Legal Consumer Research Report 2019 indicating that only 12% of respondents were aware of LeO was highlighted. This differed to the Legal Services Consumer Panel data and the Board requested that this was investigated accordingly.

**ACTION: Parliamentary and Policy Officer to action as above.**

68. The Board felt that it was a good report with relevant information and **noted** the report.

#### **Item 14 - Scheme of Delegations**

69. The CO presented the updated Scheme of Delegations.

70. The Board **approved** the Scheme of Delegations.

#### **Item 15 - Board Paper Redactions**

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

72. A Board Member sought clarification on the FOI process in relation to redacted reports.

73. DCS confirmed that it is the intention to reduce the level of redactions in future.

**ACTION: Board secretary to publish the May Board papers subject to the approved redactions**

#### **Item 16 - LSB/OLC Board to Board Meeting**

74. The Board discussed the upcoming joint Board meeting with the LSB and the opportunity this provided to develop our relationship and dialogue with them.

75. Members discussed the agenda and aligned on approach to ensure the meeting will be productive.

76. The Chair suggested that it would be beneficial to emphasise the cumulative experience of Board Members by producing a biographical information for all.

**ACTION: Board Secretary to action as above**

77. It was agreed that a Board Member would attend all future six way meetings to accompany the Chair and CO.



**Item 17 - Any other business**

78. The DCS noted that the LSB have expressed satisfaction with the clarity of reports recently received.

79. No other business noted.