

Minutes of the Eighty-Third Meeting of the Office for Legal Complaints (OLC)

Wednesday 11 October 2017

10:00 – 16:00

Legal Ombudsman, Birmingham

Present:

Wanda Goldwag, Chair

Bernard Herdan

Rebecca Hilsenrath

Michael Kaltz

Jane McCall

Apologies:

Caroline Coates

Tony King

Board Secretary:

Kay Kershaw

In attendance:

Rob Powell, Chief Executive

Kathryn Stone OBE, Chief Legal Ombudsman

Simon Tunnicliffe, Director of Operations

Helen Philips, interim Chair of the Legal Services Board (items 5, 6 and 7 only)

Neil Buckley, CEO of the Legal Services Board (items 5, 6, and 7 only)

Gurmit Sangha (item 12 only)

Sian Lewis (item 13 only)

Sarah Ritzenthaler (staff observer)

Chris Wade (staff observer)

Preliminary issues:

The Board meeting was quorate.

It was noted that, under section 122 of the Legal Services Act, the Board had made a decision outside of committee regarding arrangements for the appointment of an interim Chief Legal Ombudsman (CLO) should there be a delay between the departure of the current CLO and the new CLO joining LeO.

Jane McCall declared an interest in agenda item 12, advising that she was a Non-Executive Director at the Information Commissioner's Office, the regulator enforcing the General Data Protection Regulation legislation.

Item 1 – Welcome and apologies

1. The Chair welcomed attendees to the meeting.
2. Staff observers were reminded to observe the confidentiality of discussions held during the meeting.

Item 2 – Minutes of the previous meeting

3. Subject to an amendment to paragraph 18 requested by the Chair of ARAC, the minutes of the September 2017 meeting were approved for publication.

ACTION: Board Secretary to publish minutes of 8 September 2017 meeting.

Item 3 - Matters arising and outstanding action points

4. Members noted the update on action points from previous meetings.

Item 4 - Comments received regarding items presented for information

5. Board members noted the items presented for information.

Chief Executive's Report

6. In discussion, the Board members noted the progress of the Estates Strategy.
7. The Chief Executive provided an update on positive progress with the new case management system since his report was written.
8. The Chief Executive agreed to provide an update on the re-tendering of the occupational health service at the next RemCo meeting.

ACTION: The Chief Executive to provide an update on the re-tendering of the occupational health service at the next RemCo meeting.

Chief Legal Ombudsman's Report

9. The CLO updated Board members on the progress made recruiting the remaining level 1 Ombudsman. Board approval to appoint the successful candidates would be sought out of committee.
10. The CLO reported on the recent International Conference for Legal Regulators.
11. A discussion took place about LeO's presence in Wales and the opportunities to develop a distinctive approach in Wales and opportunities to involve Board members in engaging Welsh stakeholders.
12. The Chair reported that recruitment for a new CLO was underway, and contingency plans were in place should an interim CLO be required.
13. The CLO confirmed handover arrangements to ensure colleagues were fully briefed on stakeholder engagement activity. The Chair and Board members confirmed their willingness to assist with stakeholder engagement activities.
14. Board members noted with interest the interim report from the independent Service Complaints Adjudicator and the recommendations made. The CLO reported on the progress made to implement the recommendations.

Finance Report

15. The Chief Executive reported on the headlines of the finance report.

16. A detailed discussion took place about the implications of the increasing workload and case complexity on budgets and resources. The Chair advised that although no further funding would be available for the current financial year key stakeholders were aware of the issues in respect of 2018-19.

17. The Chief Executive advised that a draft 2018-19 budget principles paper for the LSB's November meeting would be circulated to Board members outside of committee. Draft acceptance criteria had been received from the LSB.

ACTION: The Chief Executive to circulate the draft paper on budget principles to Board members outside of committee.

Board Member / Senior Manager Expenses

18. Board approved the Board and Senior Manager expenses for publication.

ACTION: Board Secretary to publish Board and Senior Manager expenses.

Register of Interests

19. Board members approved the Register of Interests for publication.

ACTION: The Board Secretary to publish the Register of Interests.

Gifts and Hospitality

20. Board members approved the Gifts and Hospitality register for publication, subject to two additional entries.

ACTION: The Board Secretary to add two additional entries to the Gifts and Hospitality Register and then arrange publication.

Item 5 – Quarterly Performance

21. The CLO presented a report on quarterly performance. The report provided an overview of performance for quarter two, outlined performance headlines and provided a detailed analysis of performance. Board members noted the contents of this paper.

22. Members noted the sustained increase in demand and case complexity beyond budgeted resources. Concerns were raised about performance, particularly reductions in the quality review scores. A detailed discussion took place about the impact of increasing demand, particularly workload pressures and the buoyant local jobs market which were contributing to increasing staff turnover.

23. Members noted a series of initiatives outlined in the report to address performance issues, ensure balanced workloads for staff and pilot innovative ways of working. Demand levels mean it will take time to see a significant

impact on performance without additional resources (in particular a transition team to complete the backlog of cases that has built up in 2017-18).

Item 6 – Quarterly Reporting

- 24.** The CEO presented the second quarterly update on the progress made in delivering the strategy and business plan, strategic risk and overall performance. He hoped that the paper gave a sense of the progress delivering the business plan and assurance that there was no complacency.
- 25.** Board members noted the positive progress made against business plan deliverables and the Modernising LeO programme. Board noted that risks had increase for demand, operational resources, quality of service and data. Shadow KPIs were being trialled and would be part of the business plan consultation to be discussed at December Board.
- 26.** In future, it was agreed that this paper would be combined with the quarterly operational performance report to avoid duplication.

Item 7 – Legal Services Board Presentation

- 27.** Helen Phillips, interim Chair, and Neil Buckley, CEO, of the Legal Services Board (LSB) gave an update from the LSB perspective.
- 28.** The recruitment process for one new lay and non-lay member of the OLC was underway. The LSB strategy consultation would be consistent with its recent direction and would emphasise good governance, setting the right tone for relationships, creativity, and innovation.

Item 9 – Modernising LeO Update

- 29.** The CEO presented a quarterly update on the Modernising LeO Programme and a summary of the high-level benefits realisation framework for the programme which had been discussed in full at the Programme Board.
- 30.** Members were updated on the development of the new case management system. The first release of the software had quality issues. Following significant work with the supplier, the second release of the software had been of a much better quality. The delay had led to some amendments to the timetable for user acceptance testing, training and transition.
- 31.** It was noted that a number of new risks had been added to the risk register following a fundamental review of risks requested by the Programme Board.
- 32.** In October 2018, Management Team will discuss the scope and priorities for the next phase of the Modernising LeO Programme.
- 33.** Members noted the actions being taken to realise the benefits of the Modernising LeO Programme. Following a discussion about the methodology

proposed for assessing the benefits the CEO agreed to forward the benefits framework to the Chairs of the ARAC and RemCo.

ACTION: The CEO to forward the full benefits realisation framework to the Chairs of ARAC and RemCo.

Item 10 – RemCo Update

- 34. The RemCo Chair updated members on the meeting held on 20 September 2017.
- 35. Members had discussed the importance of effective team briefings. The organisation's plans to move towards more flexible working practices meant good technology would underpin successful communications.
- 36. The Chair recommended consideration be given to setting up a project to look at how virtual teams are constructed and managed.

ACTION: The CEO to consider setting up a project to look at how virtual teams are constructed and managed.

- 37. The CEO provided an update on ongoing discussions about options for staff recognition.

Item 11 – ARAC Update

- 38. The ARAC Chair updated members on the meeting on 18 September 2017.
- 39. The progress made with the implementation of the General Data Protection Regulation was noted.
- 40. Internal Audit would be undertaking further audit work on the integrity of performance data. ARAC was closely overseeing its terms of reference.

Item 12 – GDPR – Privacy by Design

- 41. Gurmit Sangha joined the meeting to provide members with an overview of how the concept of privacy by design is to be addressed and implemented under the General Data Protection Regulation (GDPR).
- 42. Members noted the good progress made which reflected the need to ensure GDPR changes were incorporated into new business processes as they were developed as part of the Modernising LeO programme.

Item 13 – Language of Complaints Research Update

- 43. Sian Lewis joined the meeting to present the findings of research undertaken on the language of complaints.

- 44. The research had been undertaken to facilitate understanding of how language can impact on consumers' behaviour and choices. It aimed to identify better practice for the use of language by the Ombudsman and service providers. It will inform improved communications at LeO and form the basis for CPD training for the profession.
- 45. A final report is to be published on 2 November. A copy would be circulated to Board members. A media campaign would support the launch of the report.

Item 14 – Annual Report and Accounts

- 46. A copy of the Annual Report and Accounts was circulated to Board members prior to the meeting. The CEO advised that since the document had been circulated, an additional sentence had been added outlining his status as Accounting Officer.
- 47. The Chair provided an update on a very positive meeting she, the Chief Ombudsman and Chief Executive had attended with Lord Keen where the Annual Report and Accounts were presented and discussed prior to publication on 19 October.
- 48. The Chair of the Audit and Risk Committee recommended the Annual report and Accounts for approval by the OLC Board. The Board unanimously approved the Annual Report and Accounts.

Item 15 – LSB Memorandum of Understanding

- 49. The CEO reported on progress made in updating the Memorandum of Understanding (MoU) between the LSB and OLC.
- 50. Board members agreed that, subject to some minor typographical amendments, the MoU could be signed off.

Item 16 – Scheme of Delegation

- 51. The CEO advised that the Scheme of Delegation required updating following his decision not to replace the post of Director of Corporate Services and recent MoJ confirmation of his appointment as OLC Accounting Officer.
- 52. It was noted that an appropriate delegation process was required for when the CEO was on leave.
- 53. An update to line 7 was noted which made clear the OLC Chair provided oversight of the institution or defence of significant legal proceedings with a risk of substantial reputational damage or financial loss.
- 54. The CEO assured members that LeO's policies included definitions of process, roles and responsibilities for dealing with the suspension, dismissal or termination of an individual employee.

Item 17 – Board Effectiveness Review

- 55.** The CEO presented a report outlining the findings of the review of Board effectiveness that had been undertaken in line with the Code of Good Practice on corporate governance in central government departments.
- 56.** An action plan to implement the findings of the review had been drawn up and the Board was asked to approve the report and action plan.
- 57.** In future, it was agreed that there would only be two papers for information from the Executive (from the CEO and CLO). Performance and finance reports would remain separate papers to ensure appropriate Board focus. Other papers would be shorter, focus on themes, avoid duplication and include more analysis. The Board approved the action plan.

Item 18 – Case Management System Support

- 58.** The CEO presented a paper providing members with a recommendation for the re-procurement of ongoing support for the case management system.
- 59.** The Board agreed the recommendations made.

Item 19 – Any Other Business

- 60.** Jane McCall, Michael Kaltz and Rebecca Hilsenrath confirmed their availability to attend a Board to Board meeting with the Bar Standards Board on 17 May 2018.
- 61.** Board members were advised that a copy of the proposed response to the CMA report would be circulated to Board members in due course.
- 62.** The CLO agreed to consider opportunities for OLC Board members to meet with Board members of other stakeholders.

ACTION: The CLO to arrange to consider opportunities for OLC Board members to meet with Board members of other stakeholders.

- 70.** Board members were updated on arrangements for the LeO Live event taking place on 16 October.