

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

Monday 29 January 2018

10:00 – 15:00

Legal Ombudsman, Birmingham

Present:

Wanda Goldwag, Chair

Bernard Herdan

Rebecca Hilsenrath

Michael Kaltz

Apologies:

Caroline Coates

Tony King

Jane McCall

Board Secretary:

Kay Kershaw

In attendance:

Rob Powell, Chief Executive

Rebecca Marsh, Chief Legal Ombudsman
(present for all items except item 14)

Simon Tunnicliffe, Director of Operations

Marina Gibbs, Board Member, Legal Services
Board (items 5 and 6)

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

Steve Pearson, Senior Ombudsman (Interim
Head of Operations) (item 8)

David Anderson, IT Development Manager
(item 7)

Sarah Ritzenthaler, Parliamentary and policy
Associate (items 15 and 16)

Marcus Passant, Head of HR (item 17)

Soni Sohpal, staff observer (present for all
items except item 17)

David Johnson, staff observer, (present for all
items except item 17)

Preliminary issues:

The Board meeting was quorate.

Rebecca Marsh declared that she had a pre-existing professional relationship with the recommended applicant for the role of Service Complaint Adjudicator.

Item 1 – Welcome and apologies

1. The Chair welcomed attendees to the meeting. A special welcome was extended to Rebecca Marsh who joined the organisation on 22 January as Chief Ombudsman.
2. Apologies were noted.

3. Staff observers were reminded to observe the confidentiality of discussions held during the meeting where appropriate.

Item 2 – Minutes of the previous meeting

4. The minutes of the OLC meeting held on 6 December 2017 were **accepted** as an accurate record and were **approved** for publication.
5. The minutes of the RemCo meetings held on 20 September 2017 and 29 November 2017 were **approved** for publication.
6. The minutes of the ARAC meeting held on 22 November 2017 were **approved** for publication.

ACTION: Board Secretary to publish the minutes listed above.

Item 3 - Matters arising and outstanding action points

7. The Board formally ratified the unanimous decision made by Board members outside committee on 20 December 2017 to appoint ten pool ombudsmen.
8. Board members noted the feedback provided by Caroline Coates on the Westminster Legal Policy Forum Keynote Seminar on Innovation in the Legal Services Market that she attended on 24 January 2018.
9. The CEO reported that he would provide a paper to the next RemCo meeting analysing alternative options to develop a flexible delivery model following the decision not to proceed with a delivery partner investigation pilot.

ACTION: CEO to provide a paper at the next RemCo meeting analysing alternative options to develop a more flexible delivery model.

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

Item 4 – Standing reports

Chief Executive's Report

11. The new operational forecasting model was now being used to map out future performance and develop new KPIs. Initial proposals for 2018/19 KPIs would be discussed with the three Chairs in February to test the proposals before the Board is asked for approval in March.
12. The CEO reported on the progress made on delivering the Estates Strategy, advising that the reconfiguration of office space in preparation for the Assisted Prison Visits Unit to move in remain on schedule. To support the new office configuration a new flexible working policy will be launched on 12 February.
13. A discussion took place about the causes, impact and mitigation of various IT and telephony incidents since the December Board and the action being taken.
14. Intensive ongoing recruitment activity is a key priority for the HR team. The CEO reported on new appointments made since the last Board meeting.
15. A report on the gender pay gap is to be tabled at the next RemCo meeting. The final report would be shared with all Board members prior to its publication.

ACTION: Head of HR to share the final gender pay gap report with all Board members prior to its publication.

16. The CEO **agreed** to circulate a note to the Board providing further detail about two specific matters highlighted in the legal update.

ACTION: CEO to circulate a note to the board providing further detail about two specific matters in the legal update.

17. Board members noted the contents of the CEO's report.

Chief Legal Ombudsman's Report.

18. The Board were advised of some minor linguistic changes proposed to the Scheme Rules in line with the findings of the Language of Complaints research. The Board **agreed** to the proposed changes being circulated outside of committee for their approval.

ACTION: CLO to circulate the proposed linguistic changes to the Scheme Rules to Board members outside of committee for approval.

19. The Chief Ombudsman advised that a more detailed review of the Scheme Rules would take place in the future.

20. The Board discussed the methods used to promote LeO's guides and publications. The Director of Operations would ensure that the most appropriate methods were used to promote this work and maximise publicity.

21. Subject to some minor amendments, the Board **approved** the proposed response to the LSB's 2018 -2021 strategic plan and 2018-19 business plan consultation.

Finance Report

22. The CEO reported on the headlines of the finance report that set out the financial position at the end of month 9. The report reflected the reforecast exercise undertaken at the end of Quarter 2 but not the results of the ongoing reforecast at the end of Quarter 3.

23. A letter of comfort was issued by the MoJ on 12 January 2018 about the 2018-19 budget. The 2018-19 budget consultation concluded on 16 January and final acceptance criteria for the 2018-19 budget were provided by the LSB following their meeting on 24 January.

24. The final budget proposals, including the Quarter 3 reforecast, are to be presented at the March Board meeting, before being tabled for approval at the LSB's March Board meeting. The draft budget paper for the LSB would be included in the agenda of the three Chairs' meeting to be scheduled in late February to discuss 2018-19 KPIs.

25. Board members noted the content of the Finance paper.

Item 5 – Quarterly strategic performance report.

26. The CEO presented a paper updating the Board on progress against the strategy and business plan at the end of Quarter 3, strategic risks, performance and key developments in the external environment.

27. It was noted that significant progress had been made against business plan deliverables, but the organisation was fully extended dealing with business as usual alongside the final stages of phase 1 of the Modernising LeO programme.
28. The Board raised concerns about timeliness performance and the volume of unallocated cases, which had risen in line with forecasts provided at the December meeting. Board noted the reduction in case holdings and that this had not yet delivered consistent increases in the rate of case closures. The CEO assured the Board that in the medium term, the Modernising LeO changes would improve processes, systems and customer service, but the forecast trajectory for improvement indicated that the organisation would need the 2018-19 financial year to conclude the backlog of cases and achieve sustainable performance against new KPIs.
29. Board asked the executive to consider a pilot of recruiting staff specifically to work evening shifts.
30. Good progress was being made in establishing the foundations for more sustainable planning and performance through the new capacity and forecasting model, development of a new 'employee deal' and a stronger performance management framework.

Item 6 – LSB update

31. Marina Gibbs and Neil Buckley provided an update on the legal landscape from the LSB's perspective and the voluntary assurance they required from the OLC about performance. They updated Board on the appointment of the new LSB Chair and three members of the OLC, and the next stages implementing the Competition and Markets Authority review of the legal services market.
32. In discussion, the LSB **agreed** to provide LeO with prior notice of any requests for approval as a regulator which could impact on demand for LeO's services.
33. The LSB would be looking for more evidence about governance and transparency in terms of what good looks like.

Item 7 – Modernising LeO quarterly update

34. The CEO presented the Modernising LeO update to the Board for quarter 3 2017/18. This included an update on the programme status, issues and risks and details of the next steps for the modernisation programme.
35. The implementation of the new case management system (CMS) and a number of inter-related dependencies remained the key issue for the programme. Quarter 4 would be a critical period for the delivery of phase 1 of the programme.
36. The CEO reported that there had been significant progress with the development of the new CMS and end to end testing of the new system would commence on 12 February.
37. Assurance from Internal Audit and an external peer reviewer would inform the decision for the new business process, staffing model, telephony and CMS to go live.

38. The final decision on going live would be made by the Modernising LeO programme Board which would now be attended by Bernard Herdan in place of Jane McCall.
39. Board members were assured that the old CMS would be used in parallel with the new CMS as open cases were concluded, which would provide a contingency should any significant issues arise with the new system.

Item 8 – Operational forecasting model

40. The operational forecasting model was demonstrated.
41. It was noted that the model was not yet finalised and work to complete it was in hand.
42. The Board were advised that it would take between 12 and 18 months for the modelling to provide consistently reliable data and to fully validate the assumptions about the new business process and staffing model.
43. The forecasting model would be used alongside other methods to forecast volumes of incoming demand and factors that might change it.
44. The Chief Ombudsman was asked to explore how the model might be tested using historical assumptions.

ACTION: The CLO to explore how the forecasting model might be tested using historical assumptions.

45. The Board asked for a simple model to be developed that could be used to predict future activity in the legal services market in order to establish its likely impact on demand and where possible the likely timescales for any changes in demand.

ACTION: The CLO to arrange for a model to be developed that could be used to predict future activity in the legal services market in order to establish its likely impact on demand and where possible the likely timescales for any changes in demand.

Item 9 – NED induction programme

46. Board members noted and provided positive feedback on the proposed induction programme for new Non-Executive Directors.
47. Board members expressed an interest in taking part in some of the induction activities proposed.

ACTION: Board Secretary to circulate the dates of the induction activities to current NEDs.

Item 10 – Register of interest

48. The Board **agreed** to the publication of the register of interest, subject to the amendments requested by Michael Kaltz.

ACTION: Board Secretary to publish the register of interest, subject to the amendments requested.

Item 11 – Gifts and hospitality register

49. The Board **agreed** to the publication of gifts and hospitality register.

ACTION: Board Secretary to publish the gifts and hospitality register.

Item 12 – Board member and senior manager expenses

50. Subject to the addition of two explanatory footnotes, the Board **agreed** to the publication of Board and senior manager expenses.

ACTION: Board Secretary to publish the Board member and senior manager expenses with the addition of two explanatory notes,

Item 13 – OLC forward plan

51. The Board noted and provided feedback on the OLC forward plan.

52. It was **agreed** that the commissioning process for Board papers would be reviewed with a view to improving the process and reducing the number and length of papers submitted to the Board.

ACTION: CEO and CLO to review the process for commissioning Board papers.

Item 14 – Appointment of the Service Complaint Adjudicator

53. The Chief Ombudsman left the meeting while this agenda item was being discussed.

54. The Chief Executive reported on the outcome of the tender process that had been undertaken for the Service Complaint Adjudicator.

55. Following discussion, the Board **agreed** a 12 month appointment.

56. It was **agreed** that the process for the appointment of future Service Complaint Adjudicators would be reviewed before the retender process.

Item 15 – Response to the CMA report

57. Following discussion, the Board **approved** the response to the CMA report.

Item 16 – Feedback on the business plan and budget consultation.

58. The Board noted the responses to the 2018 -19 business plan and budget consultation, which were broadly in support of the proposals set out. The key themes arising from the consultation and their implications for the business plan, were discussed.

59. The final 2018 -19 business plan would be tabled for approval at the March Board meeting.

Item 17 – Employee value proposition

60. On 11 January 2018, the MoJ's ALB Partnership Team confirmed their approval of the OLC's proposed use of the MoJ's employee reward platform.

61. A detailed discussion took place about the range of rewards available, the benefits of the scheme and how the scheme would be managed.

62. The CEO assured Board members that responsibility for the scheme, the associated controls and proper administration and record keeping would be covered in the Accounting Officer's annual delegations to budget managers.
63. The CEO confirmed that the controls for the scheme would be shared with internal and external audit for assurance.
64. Following discussion, the Board **agreed** to the implementation of the employee reward platform scheme, subject to detailed arrangements and controls being discussed at RemCo and with ARAC.
65. The Board noted the updates on pay benchmarking, maternity pay, annual leave, and pension provision.

Item 18 – Any other business

66. The Chair formally expressed her thanks to Board member Jane McCall who would be leaving the OLC at the end of February.
67. Staff Observer, David Johnson, thanked the organisation for the work undertaken around staff welfare and for taking note of the comments made by staff around welfare issues.
68. The Board **agreed** that hard copies of Board papers would not be produced for the next meeting.