

Minutes of the Seventy-Eighth Meeting of the

Office for Legal Complaints (OLC)

Wednesday 8 March 2017

10:30 – 15:00 am

Legal Ombudsman, Birmingham

Present:

Steve Green, Chair
Caroline Coates
Bernard Herdan
Tony King
Prof Philip Plowden
Jane McCall

In attendance:

Nick Hawkins, Chief Executive
Kathryn Stone OBE, Chief Legal Ombudsman
Rob Powell, Director of Corporate Services
Simon Tunncliffe, Head of Operations
Emma Cartwright, Head of Finance (Item 6 only)
Nikki Greenway, Head of IT (item 8 only)

Observing:

Rebecca Hilsenrath, Board member designate, Observer
Emily Evans, Staff Observer
Ama Kaur, Staff Observer

Apologies:

Michael Kaltz

Board Secretary:

Helen White

Preliminary issues:

The Board meeting was quorate.

Item 1 – Welcome and apologies

1. The Chair welcomed Rebecca Hilsenrath, the non-lay Board member (designate) as an observer to the meeting. He also welcomed Emily Evans and Ama Kaur as Staff Observers.
2. The Chair noted there were no declarations of interest.

3. The Chair noted it was International Women's Day; a global day for celebrating social, economic, cultural and political achievements of women.

Item 2 - Minutes of the previous meeting

4. The minutes of the meeting held on 25 January 2017 were approved as a true and accurate record of the meeting. It was noted these minutes would now be published.

Item 3 - Matters arising and outstanding action points

5. Members noted those items where actions had been completed and those that were included as agenda items.

Item 4 - Comments received regarding items presented for information

6. The items presented for information were noted.

Chief Executive's Report

7. The Chief Executive provided an update on the Enforcement work being undertaken by the Legal Team. It was noted that the team were now undertaking their own advocacy and were no longer having to contract out these services.
8. Caroline Coates asked that the Executive pass on the Board's thanks to Sanchia Wheeler and the Legal Team for their hard work.
9. It was agreed that future Legal Team updates would include a breakdown of judicial review cases to highlight those being listed for a contested hearing.

ACTION:

- **The Chief Executive to request that the Legal Team in future updates include a breakdown of judicial review cases to highlight those being listed for a contested hearing.**

10. It was agreed that the Chief Executive would circulate a copy of the Code of Practice for partnership working between the Department and ALB's.

ACTION:

- **The Chief Executive to circulate a copy of the Code of Practice for partnership working between the Department and ALB's.**

11. The Chief Executive updated members on the transfer of CMC work to the Financial Ombudsman Service. It was noted that the transfer would not happen until eighteen months after the introduction of legislation.

12. The Chief Executive reported that the delay in the CMC transfer would have a major impact on the Modernising LeO programme as the CMC jurisdiction would now fall within the remit of the new case management system and staffing model.
13. Jane McCall noted that this change of programme scope could challenge the timeframes and resource planning for the programme. She therefore sought assurance from the Executive that the programme would continue to be sufficiently ambitious and transformational.
14. The Head of Operations responded that the aspirational work within the programme was scheduled for later in the year.
15. The Chief Executive reported that the design for the new case management system needed to be completed by the end of March. Once the system was built and rolled out, the new staffing model would need to be implemented to drive the new processes across the organisation.
16. It was agreed that in her capacity as Board sponsor for the Modernising LeO programme, Jane McCall would discuss her questions in more detail with the Executive.
17. It was noted that the Modernising LeO quarterly update was scheduled for the April OLC Board.

Chief Legal Ombudsman's Report

18. The CLO updated Members on the recent visits by four LSB board members to the Legal Ombudsman offices. She reported that LSB board members had fed back how staff were impressive ambassadors for the Legal Ombudsman.
19. The CLO updated members on the announcement of an all-party parliamentary group on consumer protection. It was agreed that the CLO would update members as this developed.

ACTION:

- **The CLO to update Board members regarding the all-party parliamentary group on consumer protection.**
20. The CLO reported that interviews had been held internally for an additional Senior Ombudsman. Board members noted the CLO's decision regarding the successful candidate who came from the existing Ombudsman team.
 21. Discussion took place on the joint project being undertaken with the SRA to understand the role and effectiveness of the first tier complaints process in ensuring proper standards of service for consumers. Board members requested more information as the project progressed

ACTION:

- **The CLO to update the OLC Board as the joint project with the SRA continued.**

22. It was agreed the CLO would extend an invitation to the SRA to attend either the July or September OLC Board meeting to further discuss the research findings and inform the annual refresh of the strategy.

ACTION:

- **The CLO to extend an invitation to the SRA to attend either the July or September OLC Board meeting to further discuss the research findings.**

23. The CLO updated members on her recent meeting with the new LSCP Chair, Dr Jane Martin. It was agreed that the CLO would extend an invitation to the LSCP to attend a future OLC Board meeting to provide an update on their work.

ACTION:

- **The CLO to extend an invitation to the LSCP to attend a future OLC Board meeting to provide an update on their work.**

24. Prof Plowden thanked the CLO for her appendix outlining the external publications produced since January 2015. He stated that whilst it was encouraging to see the amount of work being undertaken, he was not confident that the legal profession had full visibility of the wide range of publications produced. He encouraged the Executive to ensure these documents were robustly promoted and to ensure Board members were notified as they were published as this assisted them in undertaking their ambassadorial roles.

25. The Head of Operations updated members on the performance figures for January and February. He reported that short-term issues with the case management system had temporarily affected users' ability to create documents within the system.

26. It was noted that performance in January had been positive with more cases being resolved than accepted in both January and February.

27. The Head of Operations reported that the number of informal resolutions had reduced slightly in February. He stated that this would be monitored throughout March.

28. Discussion took place on performance against the 90 day target which was reported at 49.5% for February.

29. Discussion took place on the ombudsman work in progress. The Head of Operations reported that the team were developing resource plans to focus on the split of ombudsman work. It was agreed he would provide an update at the next OLC Board.

ACTION:

- **The Head of Operations to provide an update on the ombudsman work in progress at the April OLC Board.**

30. It was noted that performance within the CMC jurisdiction was very good. The CLO reported that anecdotal feedback from the recent stakeholder event had been very positive about the CMC jurisdiction.
31. The Head of Operations updated members on the modified hours pilot. He reported that the pilot was being extended to run for six months after which a more detailed Board update would be provided.

ACTION:

- **The Head of Operations to provide a Board update at the end of the six month modified hours pilot.**

32. Discussion took place on the resourcing levels within the operations team. The Head of Operations reported that there had been a number of resignations including three from the recent new staff intake. He reported that his Operational Management Team were reviewing ways to sustain performance whilst also supporting staff.
33. It was noted that a detailed update on performance would be presented at the April OLC Board.
34. Bernard Herdan raised concern about recruitment levels and urged the Executive to move forward with recruitment plans. He stated feedback from the recent staff survey had shown that morale was low, especially amongst the operational staff.
35. The DCS reported that a workforce planning project had commenced which would look at the recruitment model and better ways of working to support staff. Jane McCall questioned whether the organisation had the right people, training and processes in place to meet levels of demand.
36. Prof Plowden urged the Executive to look at the potential of introducing a fast track graduate process to assist with the resource shortfall. The Head of Operations stated that discussions had started with two of the local universities to discuss resourcing requirements.
37. Caroline Coates noted that the issues around performance and resource were an area which needed further Board discussion.
38. It was agreed that the Head of Operations, with Executive input, would produce a report for the April OLC Board outlining the issues and proposed actions to match resource to demand.

ACTION:

- **The Head of Operations to produce a report for the April OLC Board to outline the issues around performance, demand and resource and proposed actions.**

Director of Corporate Services Report

39. Members noted the DCS Report.
40. The DCS reported that since writing his report, he had been informed that the capital budget had been approved for 2017/18.
41. The MoJ had approved a business case for CMC bad debt costs based on the historical accounting treatment, which was the subject of ongoing discussion with the NAO.

Finance Report

42. Members noted the Finance Report.
43. Discussion took place on the budget underspend.

Item 5 – 2017-2020 Strategy

44. The DCS updated members on the key issues raised during the strategy consultation. He reported that there had been 12 written responses from external stakeholders as well as two internal staff sessions which were attended by over 70 staff. He stated that the headline feedback was that people were supportive of the strategy and direction of travel.
45. The DCS reported that the key themes which emerged from the strategy consultation were that it was recognised that the organisation was undertaking a great deal to modernise and change. Some stakeholders requested that the organisation more clearly articulate annual priorities. There was strong support to increase our focus on stakeholder engagement and the value this adds.
46. Bernard Herdan suggested that the strategy should state even more clearly that any work with unregulated providers would not be funded through the levy.
47. Discussion took place on the potential risks associated with the 15% efficiency target by 2019-20.
48. It was agreed that the Board would delegate approval of the final strategy for publication in April to the Chair, CEO and CLO.

ACTION:

- **The Board approved the delegation of approval of the final strategy for publication in April to the Chair, CEO and CLO.**

49. Discussion took place on the revised strategic risk appetite and descriptions of risk appetite recommended by the Executive. The Board approved the revised document with one minor amendment.

50. The DCS updated members on the new approach to developing a balanced scorecard to support the 2017-20 strategy. He stated that performance management needed to balance quality and customer experience with timeliness and value for money.

51. It was noted that the Executive proposed a transitional year to ensure a smooth transition from the current KPIs to the new set of KPIs.

52. The Board supported the approach proposed by the Executive. It was agreed that over the coming months the Executive would continue to develop the new performance management framework based on the balanced scorecard. The Chairs of RemCo and ARAC would support the Executive as the work progressed. It was agreed an update on progress would be presented to the Board at the end of Quarter One.

ACTION:

- **The DCS to present an update to the Board on the Balanced Scorecard at the July OLC Board.**

Item 6 – 2017 / 18 Annual Budget

53. The Head of Finance joined the meeting to present the updated 2017/18 Annual Budget which it was noted built on the budget principles paper. The Director of Corporate Services reported that the budget built on the mid-term financial plan (MTFP) submitted to the MoJ and the paper addressed the acceptance criteria issued by the LSB.

54. Board members approved the 2017/18 Annual Budget. It was noted this would be submitted for approval at the LSB Board on 23 March 2017.

ACTION:

- **The DCS to finalise the 2017/18 Annual Budget for submission to the LSB Board for approval on 23 March 2017.**

Item 7 – Data Integrity

55. The DCS reported that following discussions at the December OLC Board regarding the accuracy of published data, work had been undertaken by the Executive to provide a broader view about the organisation's data.

- 56.** The DCS reported that significant work was underway to improve the organisation's data and its management primarily by developing the new case management system. During the period of transition to the new system, he stated that the Executive were proposing ceasing the use of the current dashboard for reporting performance from 1 April. It was noted that this would mean the loss of some of the flexibility inherent in the current management information but meant reported performance data was generated directly from the current case management system.
- 57.** The OLC Chair questioned whether this would still ensure the Executive had enough data to meet their obligations. The Head of Operations responded that the key data to drive performance would still be available.
- 58.** Discussion took place on the staff behaviours needed to support the modernising LeO programme. It was agreed that consistent processes were needed as well as a culture of compliance about data.
- 59.** Caroline Coates requested the Executive amend the table detailing the data the organisation holds to include equality and diversity data which is captured within the organisation.
- 60.** The DCS reported that the internal auditors were conducting an ongoing programme of work as the design of the new case management system progressed. It was noted that the internal auditors had recently conducted a review of the data dictionary against the recommendations of their recent audit of performance data.
- 61.** Board members noted the paper and the ongoing actions proposed by the Executive.

Item 8 – IT Infrastructure Contract Award

- 62.** Nikki Greenway, Head of IT, joined the meeting to update members on the conclusions of the LeO selection panel for a replacement infrastructure partner.
- 63.** It was noted that this contract award was a key part of the Modernising LeO programme as it had an impact on the infrastructure and the ability of staff to fully utilise the new case management system.
- 64.** The Head of IT reported that the selection process was run by the MoJ on the CCS framework, as it was above the delegation authority of the OLC. The MoJ would sign the contract on behalf of the OLC.
- 65.** It was noted that the CEO commended the Head of IT and her team (Irfan Faruki, Martin Pink and Emma Ireson) for the professional way the process was handled internally.

66. Caroline Coates sought assurance from the Executive that this contract award would provide the right solution for the organisation.
67. The Head of IT reported that lessons had been learnt since the last IT procurement. She stated she was confident, subject to an effective transition, that the organisation could move forward with improved service levels and reduced system downtime.
68. Discussion took place on the bidders and evaluation of the quality of bids. The CEO reported that shortlisted bidders submitted high quality bids.
69. Caroline Coates questioned whether the appropriate service credits and penalty clauses were included within the contract. The CEO confirmed they were.
70. The Board approved the proposed recommendation that the contract be awarded and approved the spend outlined in the board paper.

Item 9 – Scheme of Delegation

71. The DCS presented the updated Scheme of Delegations which had been updated since the version tabled at the December OLC Board to take into account feedback from MoJ colleagues.
72. Board members approved the updated Scheme of Delegations.

ACTION:

- **The DCS to publish the updated Scheme of Delegations on the internal and external websites.**

Item 10 – RemCo Update

73. Bernard Herdan, RemCo Chair, updated members on the recent RemCo meeting held on 16 February.
74. He reported that the main issues discussed at RemCo were long term sickness, occupational health service, modified hours pilot and the restructure of the Operational Insight and Engagement team.
75. He reported that RemCo had spent time reviewing their own performance and had agreed that their focus had become too transactional over recent months. RemCo members had agreed that at the next RemCo meeting they would review how the committee could support the overall strategy of the organisation.

76. Discussion took place on the apprenticeship levy due to be introduced from 1 April. The CEO reported that the organisation currently employed four apprentices and were reviewing whether this number could be increased. It was agreed that a paper would be tabled at the May RemCo meeting on apprenticeships.

ACTION:

- **The DCS to note that a paper on Apprenticeships would be tabled at the May RemCo meeting.**

77. Members noted the update and draft RemCo minutes.

Item 11 – Tripartite Protocol

78. The DCS updated members on the work being undertaken to draft a Tripartite Agreement between the OLC, MoJ and LSB. He reported that there remained two issues where the OLC were not in agreement with the LSB.

79. Board members approved the Tripartite Protocol, subject to minor amendments. It was noted this would now be submitted for approval at the LSB board on 23 March.

ACTION:

- **The DCS to update the Tripartite Protocol and submit for approval at the LSB Board on 23 March.**

Item 12 – Any Other Business

80. It was noted that this was Steve Green and Prof Plowden's last Board meeting. Bernard Herdan, on behalf of his fellow Board members and the Executive, thanked Steve and Philip for their three year tenure with the OLC.

81. No other business was raised. The Chair declared the meeting closed.

Next meeting

82. The next OLC meeting would be held on 25 April 2017 in Birmingham.