

<i>Meeting</i>	OLC	<i>Agenda Item No.</i>	4
		<i>Paper No.</i>	94.3
<i>Date of meeting</i>	20 March 2019	<i>Time required</i>	10 Minutes

<i>Title</i>	Executive Report
<i>Sponsor</i>	Rob Powell, Chief Executive and Rebecca Marsh, Chief Ombudsman
<i>Status</i>	OFFICIAL
<i>To be communicated to:</i>	Members and those in attendance

Executive summary
<p>This paper updates Board on key issues arising since the January Board meeting.</p> <p>Quarterly performance and finance updates, including KPI tolerances, are covered in separate items on today's Board agenda.</p> <p>This paper provides a consolidated executive view, comprising separate reports from the CEO and Chief Ombudsman, supported by a summary of our meetings with key stakeholders, as set out in Appendix 1.</p>
Recommendation/action required
Board is asked to NOTE the issues highlighted in the paper.

20 March 2019

Executive report

1. External landscape

We are currently focusing on trust and confidence in LeO in relation to our external relationships:

- we are pleased to have the opportunity to be working with the LSCP on thinking about alternative delivery models;
- this follows from the request to the LSCP from the LSB Board to consider whether the constraints of the Legal Services Act impact the use of alternative models, and what good practise looks like in other Ombudsman;
- the Chief Ombudsman and the Chair of the LSCP have begun preliminary discussions, and the Director of the Ombudsman Association will visit our office on 12th March;
- further discussion and sharing of information with the SRA in relation to the handbook changes.

Feedback to the Sector included:

- in collaboration with LawyerChecker we ran a webinar on cybercrime which was watch by over 200 people and received positive feedback; and
- we held a final CMC stakeholder event on 11th February, which was well-received.

The Chair has been actively supporting the Chief Ombudsman by maintaining our relationships with key stakeholders.

Appendix 1 summarises stakeholder meetings since the last OLC meeting. Wider stakeholder issues appear in the separate horizon scan paper.

2. CMC transfer

Work on CMC transfer to FOS has progressed well, and taken significant executive time. We are now on track, having secured all parties' agreement to the transfer agreement which the Lord Chancellor has approved, with only formal approval from HMT outstanding.

The FCA has issued a side letter covering the arrangements between the FCA and OLC relating to the reimbursement of enforcement costs. This makes clear that the FCA's consent to the transfer scheme is based on the understanding that the OLC will provide the FCA with details of the number and costs of each outstanding case, updates on any material changes. The FCA reserves the right to speak with, and seek assurances from,

the National Audit Office, and sets out its understanding that as a public body, the OLC will ensure costs incurred are reasonable.

Work continues through Version 1 on data for FOS to support the forthcoming CMC transfer. We will be marking the end of the CMC jurisdiction with staff on 29 March.

3. Delivery models

Initial work has begun to scope potential future delivery models, specifically delivery partners, geographical hubs and mediation. This is embryonic and progress will be affected by the lack of capacity in the 2019-20 budget to invest up front in these areas

4. IT update

There has been one outage on 30 January when staff were unable to make or receive calls via landlines for 30 minutes due to server issue impacting all West's UK customers.

CMS1 decommissioning will follow pending a successful data transfer. Our in-house developers have built a retention console to support anonymisation, deletion and /archive of CMS data, which will go live in March. The next CMS functionality extension is service complaints which is due to go live early in Q1 2019/20. We have built a telephone version of the Customer Assessment Tool which is due to go live in late March.

Our Better Records and Information Management (BRIM) and Website Refresh projects are now in their early stages. We have also started to review the outputs from an Operations staff workshop on digital opportunities and are looking at the technical options for those seeming to have the greatest business benefit with a view to setting up mini-projects during Q1 2019/20.

We held an engaging workshop for the Management Team on artificial intelligence last month. We have invited Methods, who ran it, to provide an input at the April Board.

Azure rationalisation activity continues and is scheduled for completion by the end of March. Required maintenance and outage slots are being set out of hours to avoid any impact on productivity. An additional penetration test of this environment will be carried out during Q1. A full penetration test on the rest of our environment took place in January which showed significant improvements from last year's test, reflecting the technical development of our infrastructure.

The ICO conducted a voluntary audit of our data protection and information and records management practices in February, and we are awaiting the outcomes.

5. HR update

Significant casework, sickness and turnover

The February annual sickness rate was 4.4% which is similar to previous months and more than the comparable period last year. Long term sickness has started to decrease

slightly and is at 2.4%. There has been an increase in sickness days in February due to work related stress. Annual voluntary turnover was 15.8% in February.

The team continues to focus on actively supporting performance improvement, with a high caseload. Two grievances have concluded.

Recruitment

We have successfully appointed an Interim Director of Corporate Services, who starts work on 19 March. The campaign for the permanent role is live. We have appointed an HR Business Partner who started at the end of February 2019.

A number of fixed term GET and L2 Ombudsman posts have been made permanent and secondments to Customer Experience Specialist, Operations Transformation Officer and L2 Ombudsman have also been made permanent. We have recruited 12 investigators, two internal appointments, whose induction commences on 18 March.

Equality and diversity

Our BAME network has now launched with supporting articles on our intranet. A commemoration for Holocaust Memorial Day was also run, organised by our LGBT+ network.

Learning and development

Our General Enquiries Team received training on mental health awareness, vulnerability and dealing with challenging behaviour in February.

Staff engagement and well-being

As part of our response to the staff survey, we are in the early stages of procuring training on bullying, harassment and discrimination. We want to bring issues into the open and create a safe space where staff are comfortable sharing experiences.

6. Legal update

We have circulated a legal update separately under legal privilege.

Appendix 1 – list of key external meetings and events

Date	Meeting	Scope/key issues
29/01/2019	CO and Chair discussion with Annabel Burns (Director of Judicial and Legal Services Policy Directorate)	Discussions included Brexit, our business plan and changes within the wider legal sector as well as MOJs policy objectives.
30/01/2019	CO attended the launch of the APPG paper on Consumer Protection	The paper made recommendations for reform of the ombudsman sector. There was good attendance from key players from across the ombudsman sector, along with the Chair of the APPG and Martin Lewis of Money Saving Expert.
31/01/2019	CEO and CO regular CEO meeting with Neil Buckley, Chief Executive of the Legal Services Board	Feedback on the LSB attendance at January Board; voluntary assurance letters; future delivery models; June Board to Board meeting; update on 2019-20 budget and business plan, including CMC transition; senior structure update; and general discussion about implications of EU exit.
04/02/2019	Management Team workshop on Artificial Intelligence	Externally facilitated workshop exploring the implications and opportunities from Artificial Intelligence and Machine Learning for LeO.
06/02/19	CO met with the President of the Law Society Christina Blacklaws	Discussions on the president's priorities, and feedback on the service provided by LeO.
07/02/2019	CEO regular meeting with the Public Guardian and Regional Director of HMCTS	General update on organisational issues and common challenges
11/02/2019	CEO catch-up with Karen Kneller, CEO of CCRC	Catch-up on organisational issues, including opportunities to work more closely together
19/02/2019	Chair attended a meeting with Anna Bradley, Chair of SRA Board.	Discussions included changes in other industries and the combining of trade bodies, the impact of changes in legal aid on high street solicitors, probate and will writing firms and conveyancing organisations.
20/02/2019	Visit from Amanda Campbell, CEO of the Parliamentary and Health Service Ombudsman	Discussion of common challenges, opportunities and shared learning
20/02/2019	Chair attended a meeting with Charles George, Master of the Faculties	Discussions on the relationship between the two organisations:- no issues reported; the impact of Brexit; the demographics of their membership and whether notaries need to be graduates.
20/02/2019	Chair attended a telephone meeting with Steve Winfield, Chair of the Costs Standards Lawyers Board.	Discussions included the declining number of Costs Lawyers and how AI and fixed costs were likely to exacerbate that decline.
21/02/2019	Chair attended a meeting with Lord Smith, Chair of the Intellectual Property Regulation Board (IPREG)	Discussions on the challenges of Brexit and its impact on Patent Attorneys (the need to be an EU citizen in order to work in the European arena).
22/02/2019	CO and our Chair attended the annual Church, Law and State Reception	Held by the Faculty Office, there were speeches from the Arch Bishop of Canterbury, and the Master of the Faculties, attended by

		senior members of the judiciary and Parliament.
22/02/2019	Chair and CO attended a meeting with Simon Davies, President of the Law Society	Discussions took place about the recent press release, access to the profession, supporting the profession members working in unregulated firms.