

Minutes of the thirteenth meeting of the

Office for Legal Complaints (OLC) Board

Monday 19th July 2010

11.30am – 3.00pm

Baskerville House, Centenary Square, Broad St, Birmingham B1 2ND

Present:

Elizabeth France, Chair
Margaret Doyle, member
Professor Mary Seneviratne, member
David Thomas, member
Rosemary Carter, member
Brian Woods-Scawen, member
Tony Foster, member

In attendance:

Adam Sampson, Chief Ombudsman
Liz Shepherd, Operations Director
Alison Robinson, Head of External Affairs
Rob Hezel, Director of Finance and Business Services

Board Secretary:

Andy Taylor

Preliminary issues:

The meeting included a presentation by Nicole Smith, Legal Services Board member. She talked about the work she had been doing with the Institute of Government and referred to "*Read Before Burning: Arm's length government for a new administration*" which is available from the Institute for Government website.

The quorum requirements for the Board meeting were met.
There were no declarations of interest made.

Item 1 – Welcome and apologies

1. The Chair welcomed those in attendance.
2. There were no apologies received.

Item 2 – Minutes of previous meeting

3. The minutes of the meeting of 21 June 2010 were approved for publication.

Item 3 – Matters arising & action points

4. Members noted those items where action had been completed and that others were included within the agenda. It was clarified that a draft version of the operational “Rough Guide” and demonstration of the IT system would take place at the 6th September Board meeting.
5. It was agreed that reference to an outstanding item relating to consumer research should be reinstated to the document so that progress could be tracked.
6. It was agreed that members of the Executive Management Team would be regularly in attendance at meetings and that in addition authors of papers would be asked to come for relevant items. Further consideration would be given by members to the format of meetings after ‘go live’.
7. The Chair of the Audit and Risk Committee reported that a presentational change to the Annual Report and Accounts had been approved by the Committee and incorporated in the document.

ACTIONS

- The Board Secretary to re-instate the consumer research action point into Annex B.
- The Board Secretary to invite authors of Board papers to attend future meetings for their agenda item(s).

Item 4 - Chair’s update

8. In addition to the meetings outlined in the Chief Ombudsman’s report, the Chair reported on informal opportunities which had arisen to brief stakeholders on progress.

Item 5 – Registers of interest and hospitality

9. The Board received the quarterly update in respect of Board member and Ombudsman stated interests. The Chair advised the Board of her recent appointment as a member of the British Transport Police Authority, this replacing her role as Non-Executive Director of the Serious Organised Crime Agency.
10. The Board noted that no hospitality had been accepted, and hence no declarations had been submitted to the Board Secretary for the period 1st April to 30th June 2010 inclusive.

ACTIONS

- The Board Secretary to update the Board member Register of Interests, reflecting the above changes.

Item 6 - Chief Ombudsman’s report

Summary of the tabled report;

- Staffing; the paper updated the Board on the progress towards staffing the new organisation, advising that the organisation has now appointed almost all the specialist functional posts for the organisation, such as Finance, IT, Compliance and

Communications, with some of these staff now beginning to take up their posts. The report also identified the short-term impact on productivity as work is required to induct new staff to the point where they can become net contributors to the organisational effort.

- IT and Premises; the report indicates that work in respect of fitting out the new office space is advancing rapidly, with the cabling now underway and the partitioning in place. There is confidence in being able to take over the accommodation in early/mid August as planned.
- External Communications; the report advises that the organisation has seen the final version of the proposed commencement order from the MoJ and a decision has been taken not to seek any further redrafting. There were no indications to date that any stakeholder would seriously challenge the drafting and therefore confidence remains that the 6th October date is achievable.
- Additionally the report outlines that along with the regular meetings with LSB and MoJ, successful meetings had been held with SRA to take forward the discussions on information sharing and with the Law Society in order to plan the programme of marketing activity for the launch.
- Finally, the report advises both the Chief Ombudsman and Chair of the Board attended a meeting of the Legal Services Board to answer questions on the Annual Report and to discuss plans for KPIs. Further discussions about the latter will take place between meetings of the LSB Chief Executive and the Chief Ombudsman, together with representatives of both Boards.

11. The Chief Ombudsman also told Members that the Ministry of Justice had confirmed that the Annual Report and Audited Accounts had been laid before Parliament.

12. Questions were invited in response to the paper and the Chief Ombudsman explained that:

- the SRA had now arranged to provide the data the Legal Ombudsman needed for IT testing and this particular area of risk had reduced;
- the communication of the organisations existence externally continued to develop and gain speed; items for publication were in development. Members requested that an updated version of the communication plan and details of any publications where the Legal Ombudsman had been cited be circulated to Board members as soon as possible;
- ten early starters covering assessor, team leader and investigator roles had now joined the Legal Ombudsman and would be involved in IT testing.

ACTIONS

- The Head of External Affairs to circulate an updated version of the communication plan along with a list of publications citing the Legal Ombudsman to the Board members.

Item 7 – Transition planning

13. The Chief Ombudsman reported that all of the necessary orders were in progress. A meeting between the new General Counsel and the MoJ was suggested to discuss/review the powers of the current Ombudsman, in particular the power to decide rather than to refer cases directly back. This would be critical to supporting the close down of the Legal Complaints Service.
14. The Chief Ombudsman noted that the LSB had a number of Board members with expertise in KPIs who were keen to contribute to our thinking. Additionally, although the MoJ do not drive or have direct input into our KPI's, they do have a responsibility to satisfy themselves that an appropriate reporting mechanic is in place. The Board recommended that the Executive continues to develop the suite of KPIs and liaises with both the MoJ and LSB in order to gain an ongoing and supportive stance.

Item 8 – Recruitment and budgetary impact

Summary of the tabled report;

- Recruitment is proceeding and good progress has been made in appointing staff into the corporate roles; however the response for the IT roles has been disappointing with a number requiring re-advertisement.
 - The main tranche of Operations recruitment was underway, with good results being evidenced for the Assessor and Investigator roles. Presently the organisation was on target to fill the first wave to start in August 2010 to participate in the scheduled training. Where appropriate, release dates have been agreed with the LCS commensurate with our recruitment requirements.
 - As staff are appointed the salary profile has been monitored and to date the average salary is below both the budget and forecast average for base salary.
15. Questions were invited in response to the paper and the Director of Operations explained that:
 - since the paper had been written, an additional 17 offers had been made to Investigators. The success rate for applicants from the LCS was approximately 50%, and from the general public approximately 30%. All of the Operations Manager roles have now been filled along with an offer being made in respect of the Knowledge Officer vacancy. All candidates had been dealt with in accordance with the agreed recruitment protocols and procedures.
 - five LCS staff were successful in applying for both the Assessor and Investigator role. All have accepted the latter; however they will be based initially in the Assessment Centre for knowledge transfer purposes before commencing the Investigator role.
 - it was considered likely that failure to fill the IT roles on the first attempt was a result of insufficient emphasis having been placed on skills at the shortlisting stage. In this area competency was insufficient. This matter had been resolved in preparation for the proposed re-advertisement campaign.
 - The Director of Operations was satisfied that there were sufficient numbers of managers to allow for future growth in the number Assessor and Investigator roles as

the organisation matured and as the expected trajectory is for the cost per case to decline as efficiency increases. Members asked for a running statement of inflation linked staff costs, and an appropriate entry to be made into the new Corporate Risk Register.

16. Staff training would take place on the 5th and 6th floors of Baskerville House. The Chair and Chief Ombudsman asked that Board members should, wherever possible, have input into the introductory sessions identified within the training schedule as this would support the development of the corporate culture. Where Members wished to undertake training it was confirmed that they needed to commit to the whole block, however it was possible to join different groups where necessary. Members were asked to liaise with the Director of Operations to ensure that a record of any request to attend the training sessions is maintained.
17. It was agreed that as one of the training review sessions coincided with the Board meeting on the 18th October it would be helpful if those within the review session join the Board for lunch on that day.

ACTIONS

- Board members to liaise with the Director of Operations in respect of preferences to attend the planned staff training sessions.
- The Board Secretary to liaise with the Director of Operations in respect of Board members meeting staff in attendance at the training review session during lunch on the 18th October.

Item 9 – Finance report

Summary of the tabled report;

- The paper gave details of the regular month end financial information as at 30 June 2010. The cumulative project costs to date were £6.16m with project spend in June £1.72m, this included staff costs of £0.205m, premises costs of £0.107m and external support costs of £0.200m. Capital expenditure of £1.186m was incurred on IT and premises.
18. The Board noted the report and also the proposed format for future financial reporting during steady state. The proposed steady state financial report would include month only, year to date and forecast out-turn in respect of expenditure by cost centre and cash flow. An additional report featuring a regular balance and cash flow would also be provided. The proposed template was approved by the Board.
 19. The Director of Finance and Business Services advised the Board that in terms of cash flow, should any levy income be held up Grant in Aid cash would still be available from the MOJ. As this cash does not count against the MOJ resource limit it was considered that risk around this was minimal.

Item 10 – Progress update on the IT workstream

Summary of the tabled report;

- The paper provided the Board with an update on the IT workstream, explaining the governance structure and reporting mechanisms in place to monitor and manage the progress of the workstream. The paper also provided an overview of the operational arrangements, identified the key staff and also included examples of current documentation, for example the project plan, IT workstream risk register, architecture and milestones document and a copy of the weekly IT workstream status report.

20. The Board thanked the Director of Finance and Business Services for the comprehensive document which provided reassurance in terms of the governance of the IT workstream. To supplement the report, the Board asked for an opportunity to “walk through” the IT system at the next Board meeting and receive an update in respect of how the IT system will meet the needs of stakeholders.

ACTIONS

- The Director of Finance and Business Services to provide an opportunity for the board to observe the IT system at the Board meeting on 6th September and provide an update on how the IT system will meet the needs of stakeholders.

Item 11 –Development on floors 5 and 6

21. The Board and executive took the opportunity to view the development work presently taking place on floors 5 and 6 of Baskerville House.

Item 12 – Quarterly report on performance against Business Plan

Summary of the tabled report;

- The report provided the Board with a quarterly update in respect of performance against business plan objectives. The paper included an extract of each workstream and identified that objectives were broadly on track with a reducing risk profile, including those around procurement, IT, recruitment and premises.

22. The Chief Ombudsman reported that some additional softer issues had arisen recently in terms of culture, knowledge management, communication and quality issues; however these were largely due to the recent expansion of the workforce and were receiving attention.

Item 13 – Programme and corporate risk registers

Summary of the tabled reports;

- The first report provided the Board with an updated version, dated 5th July 2010, of the programme risk register, incorporating amendments since the last Board meeting. The register identified thirteen areas where risk had reduced and one area of risk had been closed. There were no areas of risk that were reported as increasing since the last Board meeting.
- The second paper provided the Board with the first draft version of the corporate risk register. The Board were invited to note the report and to provide feedback in respect of any perceived errors and/or omissions.

23. Questions were invited in response to the papers and the Chief Ombudsman explained that:

- with the benefit of hindsight the item of risk that had been identified as being closed may benefit from being revisited to ensure that the correct interpretation had been applied
- the corporate risk register was “work in progress” and was the output of a workshop with risks being identified using a “bottom up” process and the paper had not yet been presented to an EMT meeting

24. Members suggested that an additional risk should be added to the corporate risk register that reflected a number of financial issues, for example capturing and comparing LCS data and information relating to performance and financial expenditure and comparing this with the Legal Ombudsman performance

25. The Board agreed that in future it should focus upon a smaller number of corporate risks and requested that a fully populated corporate risk register be presented to a later Board meeting in order to agree upon a suitable “dashboard” of risks and KPIs.

ACTIONS

- The Chief Ombudsman to provide a fully populated version of the corporate risk register to a future Board meeting to allow the Board to establish a list of key risks to monitor.

Item 14 – Approach to strategy and business planning

Summary of the tabled report;

- The paper sets out the approach to strategic and business planning including timescales for developing a three year strategy (2011-14) and Business Plan (2011-12). Additionally, the paper also outlines some of the principles which have emerged as outputs of internal workshops and discussions. The last section of the paper contains some draft material prepared for the 2011-12 business plan. As a next step, a draft of the 2011-12 Business Plan would be presented to the Board for comment on 6 September 2010 and it is also intended that part of the discussions at the board away day in January will be used to gain input into the three year strategy.

26. The Chief Ombudsman advised that individual staff objectives would have to be set to come into effect after 6th October and these should be aligned to the strategic objectives of the organisation. This would enable a “road test” and an opportunity to provide feedback at the Board away day in January.

27. The Board asked for the development of the Business Plan to include linkages between finance and the risks of the organisation, for example; the anticipated level of demand, performance and the percentage of cases attracting a case fee. Although the balanced business scorecard had separate core elements, some objectives may cross multiple boundaries, for example quality issues. Additionally equality objectives would also have to be incorporated within the plan.

28. The Board suggested that there may be too many KPIs rather than objectives within the proposal and to manage this, a sub set of measurements might be developed within a particular KPI.

ACTIONS

- The Chief Ombudsman to present a draft version of the business plan at the next Board meeting to be held on 6th September.

Item 15 – Oral report and minutes from committees

Summary of the tabled report;

- A copy of the approved minutes of the third meeting of the Office for Legal Complaints Audit and Risk Committee held on Thursday 15th April 2010, and of the fifth and sixth meetings of the Office for Legal Complaints Remuneration & Nomination Committee held on Wednesday 3rd and Monday 8th March 2010 respectively were presented to the Board to note.

29. The Chair of the Remuneration and Nominations Committee advised the Board that a teleconference had taken place on 16th July and that the relationship with the HR consultants continues to work well. RemCo had recently received some diversity statistics, however further work was planned and a further meeting was planned to take place in August.

Item 16 – Equality, diversity and accessibility

Summary of the tabled report;

- the tabled paper provided the Board with a short scene setting update on the background to the LeO approach to equality, diversity and accessibility. The paper also highlights the key areas where equality and diversity issues need to be considered across all protected characteristics and embedded into policy, processes and systems
- the financial and resourcing Implications were such that a full time and a part time interim Equality Manager have been recruited to feed into equality, diversity and accessibility issues raised into policies, systems and processes and also draft induction training. The recruitment of one permanent Equality, Diversity and Accessibility Officer is also in the initial stages
- the Board were invited to endorse the priority given to equality, diversity and accessibility by LeO and approve and comment on the approach outlined. Additionally the Board were asked to give consideration to assigning a Board member to champion these issues

30. The Board noted that a degree of follow up was required to ensure that equality, diversity and accessibility requirements had been satisfactorily evidenced and incorporated for example within the premises development.

31. The Chief Ombudsman reported that although most of the equality work being undertaken was retrospective, there were no significant risks that had been identified so far, however the

executive would welcome direct input to the Ombudsman responsible for equality, diversity and accessibility.

32. The Chair subsequently confirmed that Margaret Doyle would act as the Board champion in respect of equality, diversity and accessibility issues.

Item 17 – Future agendas and any other business

33. The next meeting will be held on 6 September 2010 commencing at 11.30am at Baskerville House in Birmingham.

Andy Taylor
Board Secretary
21 July 2010