

Meeting	OLC	Agenda Item No.	2
		Paper No.	89.1
Date of meeting	9 July 2018	Time required	10 minutes

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

Executive summary
<p>This paper updates Board on key issues arising since the June Board meeting. Financial issues and the annual report and accounts are covered in the finance paper.</p> <p>A separate quarterly report on performance, progress against the business plan and risk appears on today's Board agenda. A separate quarterly update on the Modernising LeO programme covers programme status.</p> <p>For the first time the 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.

9 July 2018

Chief Executive and Chief Ombudsman executive report

1. Activity on Chief Ombudsman priorities

The CO has continued the work on driving performance.

The changes made continue to highlight differentials across the business, the underpinning issues driving the differential will take time to resolve. Resolution will improve the sustainability of performance improvement.

The update from the key activities in last report:

- Two more teams (five in total) are now working with the supervision model, which will allow comparisons to ensure that impact is attributed to the correct intervention.
- Rate of closures and speed of progression in legacy are being maintained, with the right quality.
- Stage by stage review of cases in BAU has provided further improvement opportunities
- Latest intake of new staff in legal have gone live on cases at the end of June.

2. Issues for the scheme

The CO discussed with the SRA the issue the waivers for solicitors to work in non-regulated business, as well as the wider implications of “Looking to the Future”. She will give a short verbal update to Board

The work on the review of Scheme Rules will commence towards the end of Q2. It will identify areas which do not support the effective running of the scheme and map out possible solutions, as well as identifying potential areas for development of the scheme rules which focus on restorative justice and informal resolution approaches

It is accepted that no changes to the rules that require input from legislators, or legislative time, will be possible in the next couple of years and the terms of reference of the project reflect this.

3. Stakeholder update

Appendix 1 summarises stakeholder meetings since the last Board meeting. The most notable meeting was a positive and constructive annual meeting with our Minister, Lord Keen, which involved the Chair, CEO and Chief Ombudsman. A verbal update will be provided.

Dr Helen Phillips was confirmed as Chair of the LSB this month. The OLC Chair has written to Dr Phillips congratulating her on her appointment which is until 31 March 2023.

4. Publications and external activity

We have a tentative date to lay the annual report of 19 July and will update Board at the meeting of any changes to this.

We have responded to the SRA consultation on professional indemnity insurance, and contributed a short response to the Department for Business, Energy and Industrial Strategies' green paper on Modernising Consumer Redress.

We published the Better Information Research in June in partnership with the SRA. We commissioned the research to review how consumers use our ombudsman decision data and see how it could be improved in light of the Competition and Markets Authority report. It found that consumers can correctly interpret the data, though do not fully understand all of the categories of information. It also highlighted that cost was the overriding factor and that consumers want contextual data.

This work will feed into our Publishing Decisions review, which commences this month.

A very successful tailored course for barristers took place on 27 June in Birmingham and the schedule of courses for the remainder of the year has now been developed.

5. IT update

There were four outages between 23 May and 29 June:

- On 25 May there an hour and a quarter during which the quality of telephone calls was affected by unusually high bandwidth usage. IT is investigating increasing our bandwidth to handle any future spikes.
- On 7 June for an hour and a half CMS users were impacted by connectivity failures on an SQL database that controlled organisation access. Our supplier liaised with Microsoft and resolved the issue with a failover.
- On 21 June, outside office hours an overnight Europe-wide issue for Microsoft which was finally resolved at 1am and would have been a significant issue had it continued into the morning.
- We suffered a 30 minute outage impacting document attachments and emailing from the CMS on Wednesday 27 June. This was due to an underlying issue with the former supplier's SharePoint environment which is regularly stretched to capacity. An interim measure is being scoped for imminent delivery which will involve a new virtual machine that will separate out search functionality. The longer term solution is moving all Azure Classic services into the Azure Resource Management environment, which is likely to be in the next financial year. This will improve performance, resilience, and save on ongoing Azure costs.

Project planning work has continued for Modernising LeO projects, as reported separately. On CMS1 Decommissioning, investigations into the complexity of data transfer between the old and new CMSs have shown that any benefit from partial or full automation (insofar as is technically possible) would not be worth the minimal time gains

for the required investment; however, the level of discussion that has enriched project planning for the eventual archiving/decommissioning and focused the organisation on the need to expedite closure of CMS1 cases.

Snagging issues from the telephony implementation regarding routing and recording have been addressed successfully during this period.

6. SIRO and GDPR update

Reported incidents increased significantly on the previous quarter, following work to raise awareness of GDPR, introduction of a new reporting regime for all security incidents and not purely data security incidents. Four incidents have been reported to the ICO to date.

With changes in personnel in both Information Asset Owner and Data Protection Officer roles, the SIRO will be reviewing how well the new regime is working in practice and providing further guidance and coaching to ensure it beds in effectively. A common theme has already emerged regarding incorrect postal and email addresses and specific attention will be given to how this can be reduced in a climate where productivity and performance is key.

Further progress has been made on addressing LeO's technical security following an assessment against the NAO Cyber Security Guidance and an independent penetration test, which was reported to July's ARAC meeting.

7. HR update

Casework

Of two grievances highlighted in my last report, one is concluded and the second has been withdrawn. One new investigation has commenced.

Recruitment


We are coordinating our next operational induction in early September. Current active campaigns include sandwich students, GET Advisors and pool Ombudsman. On 1 July, 10 further pool Ombudsman completed their induction training. We have successfully appointed an Associate Project manager and permanent Senior Performance Analyst.

Reward & recognition – Celebrating success

The scheme will be launched at LeO live, which has been postponed from the last week of June until early July to allow staff to focus on performance. An internal communications plan is now in place including an online nomination form for staff.

Learning and development

Another 14 new starters - investigators and Level one ombudsmen - joined us on 3 June and have completed a three-week induction programme.



A specialist leadership development coach continued to work with our Senior Ombudsmen. Her work will expand in July to Team Leaders and Operations Managers.

Project RACE

The MoJ Project RACE team held two successful focus groups on 27 June with staff to discuss issues affecting Black and Minority Ethnic colleagues.

8. CMC transition

Discussions continue to resolve the current uncertainty about funding work associated with CMC transition. This is delaying the transfer agreement and work on data transfer of case files to FOS. Members of Management Team will meet CMC staff on 4 July to update them on options, which is complicated by ongoing uncertainty from FOS about the location for CMC work. A verbal update will be provided to Board.

9. 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
05/06/2018	Chief Ombudsman and Chair meeting with Enid Rowlands and Paul Phillip, Chair and CEO of the SRA	Introductory meeting to discuss shared issues and the wider regulatory landscape.
12/06/2018	Catch-up meeting between CEO and Karen Kneller, CEO of the Criminal Cases Review Commission	Discussion of shared challenges.
14/06/2018	Chief Ombudsman and CEO meeting with Richard Collins, Executive Director of Strategy and Resources and Mark Draine (Director of Resources) at the SRA	Data sharing, IT and opportunities to develop collaborative ways of working.
15/06/2018	Chief Ombudsman meeting with Crispin Passmore, Executive Director, Policy and Resources at the SRA	Looking to the Future consultation and implications for consumer redress
19/06/2018 and 25/06/2018	Joint Management Team meeting with the Office of the Public Guardian (OPG); followed up by the CEO visiting OPG on 25 th for a more detailed look at processes and how OPG works.	Organisational overviews, opportunities to work more closely together on casework, shared challenges, issues and opportunities to share learning.
21/06/2018	Chair, Chief Ombudsman and CEO attending annual meeting with Lord Keen	Discussion of the draft 2017/18 annual report and accounts, specifically CMC transition, ALB support from the MoJ, progress with Modernising LeO, performance and changes in the legal sector and legal services market.
21/06/2018	Meeting with Tony Essien, Chief Executive of Lease Advice	Remuneration and Nominations Committee shared learning day and general catch-up on respective people strategies/workforce plans.
29/06/2018	Chief Ombudsman and CEO meeting with Neil Buckley, CEO of the Legal Services Board	Introductory meeting with Chief Ombudsman, and regular CEOs catch-up covering performance, Modernising LeO, CMC transition, voluntary assurance and OLC annual report and accounts.
02/07/2018	Regular meeting of CEO and Steven Corbishley, National Audit Office Director	Quarterly catch-up on key business issues affecting the OLC, progress with the annual report and accounts and audit, and wider learning and issues of relevance to the OLC as identified by the NAO's work.