

<i>Meeting</i>	OLC Board	<i>Agenda Item No.</i>	11
		<i>Paper No.</i>	94.9a
<i>Date of meeting</i>	20 March 2019	<i>Time required</i>	30 Minutes

<i>Title</i>	2019-20 business plan
<i>Sponsor</i>	Rob Powell, Chief Executive
<i>Status</i>	OFFICIAL
<i>To communicate to:</i>	Members and those in attendance

Executive summary
<p>The OLC consults annually on its business plan and budget. The OLC commented on a draft 2019-20 consultation on the business plan in December 2018, and received a short summary of responses in January 2019. The consultation period ran for six weeks.</p> <p>While generally supportive of our aims, the four responses we received set out a number of ideas to improve the plan which are detailed below.</p> <p>Key points from the consultation were requests for more specific information on feeding back to the profession, unit cost, quality measures in our KPIs, and ongoing work on issues related to the SRA Handbook changes. Our response to each of the key points of feedback is set out in this paper.</p> <p>Appendix 1 provides an updated business plan which addresses consultation feedback and aligns with the budget and KPI papers which are separate items on today's agenda.</p> <p>The plan remains broadly aligned with the consultation. There has been a slight reduction in the central assumption about closures with the main changes relating to the plans to support each annual priority by providing more specific deliverables and timescales. This addresses one of the points from the consultation feedback.</p> <p>Given the move to a single Chief Ombudsman/Chief Executive role from 1 April, unusually the plan includes a foreword from Rebecca Marsh alongside the usual OLC Chair's foreword.</p> <p>We intend to publish the business plan in early April, subject to both OLC approval of the 2019-20 business plan and LSB approval of the 2019-20 budget.</p>
Recommendation/action required
Board is asked to COMMENT on the draft 2019-20 business plan and DELEGATE APPROVAL of the final plan for publication to the OLC Chair and Chief Ombudsman.

Introduction

1. The Legal Ombudsman (LeO) published a consultation document on its 2019-20 Business Plan and Budget on 14 December 2018. The consultation closed on 25 January 2018, allowing six weeks for responses to be submitted. Below we have provided an overview of the responses received and the changes that were made to the business plan in light of these.

Overview of responses

2. We received responses from four organisations, which have been summarised below. Copies of full responses are available on request.
3. The response from the **Legal Services Consumer Panel (LSCP)** begins by stating that ‘the Panel is pleased with the overall direction of the Business Plan and supports its central goals’, although they would like ‘to understand the balance of resource allocated to each goal or how this may shift during the lifespan of the plan’. They would also prefer to see us set out ‘clear activities’ for reducing average time taken to investigate a complaint, and provide support for us to explore ‘other informal means of dispute resolution’.
4. However in large part, the LSCP response focuses on our role in raising standards across the profession, and how we can improve our standing as an ombudsman. The LSCP would like to see us devote specific resources to feeding back to the profession and providing more diverse services to consumers. Their concern with performance centres on ensuring quality of our investigations, but beyond this their interest is in our more external-facing work.

Regulatory bodies

5. The **Solicitors Regulation Authority (SRA)** sent a supportive letter rather than a formal consultation response. This simply states that they agree that our strategic objectives and annual priorities are the right ones, and welcome our focus on the improvement of customer service and performance. The rest of the letter identifies a number of collaborative projects that are ongoing between our organisations. In particular it highlights our parallel approaches to the new transparency requirements, and ways in which we could work together on developments in artificial intelligence (AI) in the future.
6. The SRA also express interest in sharing best practice on helping clients with disabilities access the legal services they need, and are pleased to see that we will be undertaking more analytical themed reports to feed back to the profession.
7. The **Council for Licensed Conveyancers (CLC)** agrees with our strategic objectives and analysis, but suggests that resources should be focused on priorities 1 (improve the quality of our work and develop dispute resolution skills)

and 2 (build and maintain trust and confidence in LeO through consistently good performance). Its response is very critical of increasing costs per case – which is consistent with feedback provided on last year’s business plan – and highlights concern about our failure to meet KPIs.

Representative bodies

8. The **Law Society** particularly focuses on performance issues, flagging up concerns about timeliness and quality of decision-making. On this basis they ‘suggest priorities 1 and 2 are *particularly* important’ and would like to see more detail in the business plan about how we intend to deal with high demand and improve throughput to achieve sustainably good performance. They would also like to see more information about how the CMC transfer is being managed.

9. Once again, the Law Society have called for a full case fee review to be a priority for 2019/20. They would like to see the ‘two free cases’ rule reinstated and consideration of the ‘polluter pays’ principle. They also want to understand the extent of work we are doing around the SRA Handbook changes and would be keen to see additional guidance from us for both consumers and the profession.

10. Additionally, their response expresses support for a focus on staff training and staff retention to improve performance and quality of work, and would like to see more quality measures introduced into our KPIs. Ideally they would like to see a summary of performance against the previous year’s KPIs to enable an assessment of how realistic the proposed KPIs are. The Law Society have also stated that they would support increased use of ‘oral hearings’ (Scheme Rule 5.33).

Subsequent changes made

Key theme	Action taken
General support for our direction of travel and interest from a number of respondents in seeing more granular delivery plans, milestones and timescales to achieve the high-level priorities set out in our consultation, particularly improved performance and quality of decision-making.	The broad shape and focus of the plan has not changed materially. In light of ongoing performance and staffing challenges, we have added a stronger emphasis on developing innovative and more flexible delivery models.
A general theme about the importance of working through the implications of regulatory reforms for the Legal Ombudsman scheme.	Under priority 2, we have included a clear deliverable that highlights ongoing work required in 2019-20 with the SRA on the detailed practical implications of changes to the Solicitors Handbook.

Key theme	Action taken
<p>Concern about increasing costs per case</p>	<p>Targeting unit cost specifically risks unintended consequences. The thrust of our business plan is to improve quality, which will reduce overall cost, duplication, rework, and (over time) unit cost.</p> <p>The section on unit cost is now firmer about the risks of unintended consequences from targeting unit cost and simplistic / poorly informed comparisons with unit costs in other schemes. The emphasis is on longer-term cost reduction by getting quality right.</p>
<p>The LSCP expressed its interest in seeing a dedicated sub-strategy on our work to feedback insights from running the scheme, more explicit coverage about benchmarking the scheme against best ombudsman practice, and specific plans to improve timeliness and quality.</p>	<p>We have added a summary annual plan of our communication and engagement work to the plan.</p> <p>The deliverables for priorities 1-3 draw on insight from good practice among other ombudsman schemes.</p> <p>We have not included granular detail on timeliness beyond the KPIs we are inviting the OLC to approve today. The specific priorities to improve quality and timeliness are set out in full under priorities 1 and 2.</p>
<p>The Law Society expressed a strong interest in reforms to case fees.</p>	<p>Under priority 1, we set out plans to consider case fees as part of wider work to take forward scoping of Scheme Rules reform, building on initial work undertaken in 2018-19.</p>

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Business Plan
2019 - 20

