

Minutes of the Seventy-Seventh Meeting of the

Office for Legal Complaints (OLC)

Wednesday 25 January 2017

13.45 – 15:30 am

Legal Ombudsman, Birmingham

Present:

Steve Green, Chair
Caroline Coates
Bernard Herdan
Michael Kaltz
Tony King (*items 1-4 only*)
Prof Philip Plowden
Jane McCall

In attendance:

Nick Hawkins, Chief Executive
Kathryn Stone OBE, Chief Legal Ombudsman
Rob Powell, Director of Corporate Services
Simon Tunnicliffe, Head of Operations
Alison Wedge, Head of ALB Governance, MoJ

Observing:

Elle Yates, Staff Observer
Paul Smith, Staff Observer

Board Secretary:

Helen White

Preliminary issues:

The Board meeting was quorate.

Item 1 – Welcome and apologies

1. The Chair welcomed Alison Wedge to the meeting. He also welcomed Elle Yates and Paul Smith as Staff Observers.
2. The Chair noted there were no declarations of interest.
3. The Chair thanked Board colleagues, Alison Wedge and the Executive for the constructive dialogue and helpful input to the morning's Strategy Discussion where it was agreed that that OLC Chair, CEO and CLO were given delegated authority for the final sign off of the Draft Strategy and Business Plan for the consultation.

ACTION:

- **It was agreed that delegated authority be given to the OLC Chair, CEO and CLO to sign off the Draft Strategy and Business Plan for the consultation.**

4. It was noted that the Strategic Risk Register had been discussed during the Strategy Discussion and it had been agreed that the Strategic Risk Register would be reviewed at the April ARAC meeting and presented again at the April OLC Board meeting.

ACTION:

- **It was agreed that the Strategic Risk Register would be reviewed at the April ARAC meeting and presented again at the April OLC Board meeting.**

5. The Chair thanked Alison Wedge for her update on the Tailored Review process.

Item 2 - Minutes of the previous meeting

6. The minutes of the meeting held on 7 December 2016 were approved as a true and accurate record of the meeting.

Item 3 - Matters arising and outstanding action points

7. Members noted those items where actions had been completed and those that were included as agenda items.
8. It was agreed that the CLO would present a summary on the external publications produced over the past two years.

ACTION:

- **The CLO to present a short report to the March OLC Board to summarise the external publications produced over the past two years.**

9. Discussion took place on the recently issued CMA Report. It was agreed that the CLO and DCS would ensure all the key findings from the CMA report were understood and cascaded to the Board and Executive.

ACTION:

- **The CLO and DCS to ensure all the key findings from the CMA report were understood and cascaded to the Board and Executive.**

10. The DCS reported that the updated Scheme of Delegation had not yet been finalised and that he was in discussions with key MoJ colleagues to finalise

the document. An update would be included in the DCS report for the March OLC Board meeting.

ACTION:

- **The DCS to include an update in his March Board update on the revised Scheme of Delegation.**

11. It was noted that the Procurement Guidance would be reviewed at the April ARAC meeting and then presented to the April OLC Board.

ACTION:

- **The DCS to table the Procurement Guidance to the April ARAC meeting and then present it at the April OLC Board.**

Item 4 - Comments received regarding items presented for information

12. The items presented for information were noted.

Chief Executive's Report

13. The Chief Executive provided an update on the recent quarterly meeting with the MoJ Sponsor Team, which had been chaired by the new Senior Sponsor, Amelia Wright.

14. The RemCo Chair updated Members on the process being undertaken by the LSB to recruit a successor OLC Chair.

Chief Legal Ombudsman's Report

15. The CLO thanked Jane McCall and Bernard Herdan for their time in meeting with key stakeholders at the Law Society and Council for Licensed Conveyancers. It was agreed that these meetings had been highly successful and informative. Board members requested the Executive plan further meetings with other key stakeholders, including the Bar Council, Bar Standards Board and regulators.

16. The OLC Chair thanked the CLO and her team for the update on Relationship Management, which he noted was an excellent initiative.

17. The CLO updated members on the verification work being undertaken on the ombudsman decision data. It was noted that this work would be completed by the end of March 2017 in line with the policy statement issued in April 2016.

18. The Board supported the CLO's recommendation to enter into a consultation in relation to adding additional contextual fields to the published ombudsman decision data post April 2017.

ACTION:

- **The CLO to progress with the consultation on the on the publication of decision data for decisions published after April 2017.**

19. Michael Kaltz welcomed the research work being undertaken on the language of complaints. It was agreed that an update would be presented to the OLC Board in June.

ACTION:

- **The CLO to present an update on the Language of Complaints research programme in June 2017.**

20. Discussion took place on the potential to run a media campaign regarding a recent high value CMC case. The CLO was requested to confirm the legal advice regarding this case and update Board members accordingly.

ACTION:

- **The CLO to confirm the legal advice received regarding the high value CMC case and update Board members accordingly.**

Director of Corporate Services Report

21. Discussion took place on the accounting treatment of bad debt for companies in liquidation. The DCS reported that the discussions were ongoing with the NAO and MoJ colleagues about the accounting treatment. The ARAC Chair said that this was exactly the sort of topic on which ARAC could be of assistance and he requested that the topic including a progress update be on the agenda for the April ARAC meeting.

ACTION:

- **The DCS to present an update on bad debt write-offs at the April ARAC meeting.**

22. Members were pleased to note that the rollout of new end user devices (both laptops and desktops) was continuing with positive staff feedback. Both staff observers reported how much faster and reliable the new machines had proved.

23. Jane McCall updated members on her meeting with the DCS and Head of Operations to discuss her oversight role on the 'Modernising LeO' programme. She reported that she would attend the programme boards once a quarter and would also meet separately with the DCS and Head of Service.

24. Bernard Herdan stated he would welcome an overview of the 'Modernising LeO' programme. It was noted that a quarterly update would take place at the April OLC Board meeting.

25. The DCS updated members on the recent IT invoicing errors. It was noted that the full report was still awaited from the supplier. He stated that manual

invoicing would continue until he was assured that this error would not reoccur. It was noted that manual invoicing, whilst inconvenient, was not business critical.

Finance Report

26. Members noted the Finance Report.

27. Discussion took place on the financial position at the end of month 9 which based on a reforecast was an outturn position of 6% under budget.. The Executive were encouraged to explore any opportunities to utilise any underspend to support short-term performance improvements if this would provide value for money.

Register of Interests

28. Members approved the Register of Interests for publication on the LeO website as part of the LeO publication scheme. It was noted that the Register would now include an additional declaration on 'Directorships'.

ACTION:

- **The Board Secretary to publish the Register of Interests on the LeO website.**

Gifts and Hospitality

29. Members approved the Gifts and Hospitality report for publication on the LeO website as part of the LeO publication scheme.

ACTION:

- **The Board Secretary to publish the Gifts and Hospitality report on the LeO website.**

Board Member Expenses

30. Members approved the Board Member expenses report for publication on the LeO website as part of the LeO publication scheme.

ACTION:

- **The Board Secretary to publish the Board Member Expenses report on the LeO website.**

Item 5 – Quarterly Performance Update

- 31.** The Head of Operations presented the Quarter 3 Performance report.
- 32.** He reported that each month during the last quarter, the number of cases closed had been higher than those accepted.
- 33.** It was noted that there had been a positive improvement in the number of informal resolutions, attributed in part to the success of recent initiatives such as the focus on telephone contact.
- 34.** It was noted that there had been a significant reduction in the number of unallocated cases, which reduced from a peak of 620 to 465, against a forecast of 490 for the end of Quarter 3. The Head of Operations reported that the team were confident to reduce this figure further by the end of Quarter 4.
- 35.** Discussion took place on the measures implemented to reduce the number of unallocated cases. It was noted that historically no action had been taken whilst cases awaited allocation. This had changed with the introduction of the Triage Team so activity was taking place whilst the cases were awaiting allocation.
- 36.** The OLC Chair suggested the Executive break down the unallocated figure into more detail, to better reflect where case were in the process (e.g. awaiting Triage, awaiting Investigator).
- 37.** It was noted that the current figure of 227 cases awaiting triage had reduced significantly.
- 38.** The Head of Operations reported that the number of ombudsman decisions made in December had reduced in comparison to previous months. This was partly due to ombudsman involvement in the induction and training of new starters. It was noted that future recruitment campaigns would target more frequent, smaller staff intakes whose training would be more CBT based therefore freeing up the Ombudsmen.
- 39.** The Head of Operations updated Members on the initiatives designed to reduce the number of send backs and provisional decisions. The success of these initiatives would be monitored over coming months.
- 40.** The OLC Chair reported that he had requested more analysis on the CMC timeliness performance due to the impact of recent CMC bulk incidents.
- 41.** The CLO reported that within the CMC jurisdiction, when cases were dismissed, the team continued to help clients find redress in other ways through signposting.
- 42.** Discussion took place on the customer satisfaction survey results which showed the key dissatisfaction driver for both complainants and service providers as being delay due to the backlog of cases. Complainants cited lack

of updates as a dissatisfaction driver. Michael Kaltz reported that this highlighted the importance of realistic expectation management by staff.

43. Discussion took place on the process for responding to customers that have expressed dissatisfaction with the service provided by LeO within the verbatim comments of their survey. These customers were contacted to explore their issues and improve the service received.
44. The OLC Chair noted that he would be interested in whether the introduction of the Triage process impacted the next quarter's customer satisfaction levels. The Head of Operations reported that this would not be reflected in the figures until at least Quarter 1 of the next year.
45. The Head of Operations reported that an internal survey had been introduced in the Resolution Centre to facilitate feedback between the Triage team and investigators to track areas such as value added and quality. He reported that initial results had been overwhelmingly positive.
46. It was agreed that the Head of Operations would include an update in his March OLC Board report on the modified hours pilot.

ACTION:

- **The Head of Operations to include an update in his March OLC Board report on the modified hours pilot.**

47. In summary the OLC Chair noted that whilst progress had not been as fast as hoped, there were clear indications that the initiatives undertaken were having a positive impact. He was pleased to note that the steady improvement in the quantitative data was not having a detrimental impact on quality.
48. The OLC Chair reported that he and the ARAC Chair were scheduled to meet the CLO and Head of Operations to discuss the KPI's for the new business year. It was noted that these would be discussed in more detail at the March OLC Board meeting and would then be shared with the LSB.

Item 6 – Business Plan Update

49. The CEO presented the quarterly update on progress against Quarter 3 initiatives.
50. Discussion took place on the timescale for the refresh of the external website and portal. The Head of Operations reported that scoping work was already underway as part of the Enhance work stream within the Modernising LeO programme. He noted that an enabling website was critical to deliver the benefits within the Enhance work stream.

51. The CEO reported that the IT procurement exercise was on track. Bids had been submitted and shortlisted with final supplier presentations due mid-February.
52. The OLC Chair requested that the Executive look at whether the RAG status to reflect progress could be shown within Box 4 of the Balanced Scorecard to give an overall picture for the organisation.

Item 7 – Scheme Rules and Third Party Complaints

53. The CLO reported that there was still significant work to be done on both of these items before they were presented to the OLC Board. She had therefore agreed with the OLC Chair that both items be adjourned to the March OLC Board meeting.

ACTION:

- **The CLO to table papers on Third Party Complaints and Scheme Rules at the March 2017 OLC Board meeting.**

Item 8 – ARAC Update

54. Michael Kaltz, ARAC Chair, updated members on the recent ARAC meeting held on 11 January 2017.
55. Discussion took place on the business combined insurance. The ARAC Chair reported that whilst ARAC members felt uncomfortable with the wording of the letter received from the MoJ, it was ultimately a matter for OLC Board consideration.
56. The OLC Chair stated that in his view, the letter received from the MoJ was intended to assist the organisation. It was agreed that Alison Wedge would confirm with MoJ colleagues that underwriting activity would be undertaken by the Department, not the ALB.

ACTION:

- **Alison Wedge to confirm with MoJ colleagues that with regard to the business combined insurance, underwriting activity would be undertaken by the Department, not the ALB.**
57. It was agreed that Board members would accept both the letter and that there was a level of ambiguity, although the risk was low.
58. The ARAC Chair reported that ARAC had agreed that the Head of Finance should share with the LSB her email correspondence with the ARAC Chair relating to the detailed accounting entries for the notional insurance premium charge as the amount of the levy was strictly a matter for the LSB.

59. The ARAC Chair reported that he and the CEO had had a very constructive meeting with Linda Costello the MoJ Head within GIAA.

Item 9 – Risk Strategy

60. Further to the discussion during the Risk Workshop, it was agreed that Board members were content to approve the OLC Risk Strategy document.

61. It was noted that Appendix 2 (Risk Appetite descriptions) would remain as guidance.

Item 10 – Governance Documentation

62. It was noted that Board members approved the retrospective publication of OLC minutes via correspondence. These would be published on the external website.

ACTION:

- **The Board Secretary to publish the retrospective OLC Board minutes on the external website.**

63. It was noted that Board members also approved the updated governance documentation (Rules of Procedure and Operating Framework) via correspondence. These would be published on the external website.

ACTION:

- **The Board Secretary to publish the updated Rules of Procedure and Operating Framework on the external website.**

Item 11 – Any Other Business

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

Next meeting

65. The next OLC meeting would be held on 8 March 2017 in Birmingham.