

**Minutes of the Seventy-Second Meeting of the
Office for Legal Complaints (OLC)**

Tuesday 14th June 2016

09:30– 15:30 am

Legal Ombudsman, Birmingham

Present:

Steve Green, Chair
Caroline Coates, member (via conf call items 1-7 only)
Bernard Herdan, member (via Skype)
Michael Kaltz, member
Jane McCall, member

In attendance:

Nick Hawkins, Chief Executive
Simon Tunnicliffe, Head of Operations (item 1-5 only)
Andrew Gale, Head of Operational Insight & Engagement (items 1-5, 7, 8 and 9 only)
Claire Keogh, Research Officer (item 4 only)
Nikki Greenway, Head of IT (item 6 only)
Conor McColgan, Version One (item 6 only)
Alison Wedge, MoJ, Head of ALB Governance (item 7 only)
Gerri Clement, MoJ, Head of Tailored Review Team (item 7 only)
Alex Moore, Stakeholder and Public Affairs Officer (item 9 only)
Darren Cox, Ombudsman (item 9 only)

Apologies:

Prof Philip Plowden, member
Tony King, member
Kathryn Stone OBE, Chief Legal Ombudsman

Observing:

Emma Ireson, Staff Observer
Ruth Edwards, Staff Observer

Board Secretary:

Helen White

Preliminary issues:

The Board meeting was quorate.

Item 1 – Welcome and apologies

1. The Chair welcomed the two staff observers Emma Ireson and Ruth Edwards to the meeting. He noted the apologies from Philip Plowden, Tony King and Kathryn Stone. The Chair also noted that Caroline Coates and Bernard Herdan were not able to attend in person and were joining via conference call and Skype respectively.
2. The Chair reminded Board Members to submit their expenses in a timely manner.

Item 2 - Minutes of the previous meeting

3. The minutes of the meeting held on 26 April 2016 were approved as a true and accurate record of the meeting.

Item 3 - Matters arising and outstanding action points

4. Members noted those items where actions had been completed and those that were included as agenda items.

Item 4 - Comments received regarding items presented for information

5. The items presented for information were noted. It was noted that both Philip Plowden and Tony King had raised questions on the Board papers in advance of the meeting. These were dealt with out of committee with responses provided where required.

Chief Executive's Report

6. The Chief Executive updated members on work being undertaken to progress the actions detailed in the governance review action plan. It was noted that an update would be provided at the July OLC Board to enable the Board to assess the achievement of those actions with a completion date of 30 June.

ACTION:

- **To enable the Board to assess the achievement of actions with a completion date of 30 June, the Chief Executive to provide an update at the July OLC Board on the governance review action plan.**
7. It was noted that the review of establishment had concluded and that staff communications had been issued to ensure staff were kept informed.
 8. The Chief Executive reported that final approval had been received from the MoJ for the Team Leader development programme. He reported that financial approval had also been received for the Management Team level coaching.

9. The Chief Executive reported that there was a need to undertake bespoke training for the Operations Managers. It was noted that a further update on the Management Development Programme would be provided to RemCo at their meeting on 28 June 2016.
10. It was noted that the Aspiring Leaders course had proved very popular with staff. Further courses were planned with 36 staff scheduled to complete the course by the end of September. The Chair noted that the Board welcomed the work being undertaken by the management team in building leadership capability within the organisation.
11. The Chief Executive reported that the recruitment campaign for the Director of Corporate Services was nearing completion and it was hoped that an offer would be made soon.
12. The ARAC Chair queried the provision of business insurance as the renewal was approved to October 2016. The Chief Executive reported that he was meeting the MoJ Head of Financial Governance on 5 July and would raise this at that meeting. He would then update the ARAC Chair.

ACTION:

- **The Chief Executive to update the ARAC Chair on the provision of business insurance following the meeting with the MoJ in July.**

13. Discussion took place on whether the OLC Accounting Officer had received clarification on the delegation of financial control. It was noted that this was still awaited and this too would be discussed by the Chief Executive with the MoJ at the meeting on 5 July.
14. Discussion took place on the possibility of introducing a merit list to replace leavers. The Chief Executive reported that initial work undertaken by the Head of Operations had indicated that staffing levels were close to compliment. This would be discussed further at the RemCo meeting on 28 June.
15. The Chief Executive reported that work was being undertaken within the Legal team to ensure the Chief Executive and Chief Legal Ombudsman were sighted on contentious cases. It was noted that both weekly reviews and formal monthly review were in place. The Board requested that the Executive inform them should the reviews raise any particular concerns.

ACTION:

- **The Chief Executive to inform the Board of any particular concerns raised during the reviews with the Legal team.**

Chief Legal Ombudsman's Report

16. It was noted that Nick Hawkins, Simon Tunnicliffe and Andy Gale would take questions on the paper in the Chief Legal Ombudsman's absence.
17. Jane McCall questioned whether the Board could have confidence in the integrity of the data being reported due to the ongoing unreliability of the dashboard. The Head of Operations reported that the executive were gaining confidence but there were still issues in extracting conflicting data from across a number of systems. He reported that work was continuing internally with the IT team and also externally with the MoJ internal audit team who were conducting an audit on the integrity, accuracy and completeness of operational performance data. The Board requested an update at the next OLC Board meeting in July.

ACTION:

- **The Head of Operations to provide an update at the July OLC Board on progress being made to ensure the integrity of data being reported.**

18. The Board welcomed the number of meetings with stakeholders and speaking events the Chief Legal Ombudsman was attending. To help the Board's external focus, Jane McCall requested that a summary be provided for the Board on the key themes and messages from visits and events attended by the Chief Legal Ombudsman.

ACTION:

- **The Chief Legal Ombudsman to provide a summary for the July OLC Board on the key themes and messages from her visits and events.**

19. It was noted that the recruitment campaign had resulted in the recruitment of two viable pool ombudsmen. Bernard Herdan requested the Executive continue with this flexible working concept. The Chief Executive undertook to discuss this further with the Chief Legal Ombudsman.

20. It was noted that in parallel the Executive were exploring other resourcing options to deal with fluctuations in demand. It was requested that the Chief Legal Ombudsman provide an update on this and the pool ombudsman at the next meeting.

ACTION:

- **The Chief Legal Ombudsman to update the July OLC Board on the resourcing options to meet fluctuations in demand, including the use of pool ombudsmen.**

21. Caroline Coates questioned whether the number of lost calls were currently monitored or measured. It was agreed that the Head of Operations would provide an update to the July OLC Board on whether lost calls were monitored or measured and any trends identified.

ACTION:

- **The Head of Operations to provide an update at the July OLC Board on whether the number of lost calls were currently monitored or measured and any trends identified.**

22. Discussion took place on Chief Legal Ombudsman's proposals to revise the process for the way decisions were graded and handled by the Ombudsmen. It was noted that internal quality audits were in place to ensure adequate investigations and fair outcomes. The Board were supportive of the Chief Legal Ombudsman's proposals.

23. Discussion took place on other ombudsmen schemes and the challenges they faced on process improvements. It was noted that one scheme had successfully used the services of a statistician to develop a more streamlined scheme based on demand forecasting. Jane McCall reported that in July she was scheduled to meet the Executive team to discuss business process and the operating model and how to use technology as an enabler.

24. Discussion took place on the Chief Legal Ombudsman's proposal that case progression would be a more accurate measure of effectiveness. The Board agreed with the concept but noted that more progress on the targets would be required before any commitment could be given. It was agreed that the Executive further develop the concept and update the OLC Board in due course.

ACTION:

- **The Chief Legal Ombudsman to develop the concept of case progression and provide an update to the OLC Board in due course.**

25. Claire Keogh, Research Officer, joined the meeting to update the Board on the work being done on to deliver a flagship piece of research entitled 'Understanding Customer Needs'. It was noted that the project had three key objectives; to listen to customers' views on service delivery, to identify and understand the needs of the service users and to establish a set of customer defined service principles from which the organisation could monitor the quality of the service being delivered.

26. The Research Officer reported that she was grateful for the assistance staff gave in developing the principles.

27. It was noted that a customer factsheet on the service principles was being developed in-house to be circulated with all correspondence.

28. The Head of Operational Insight and Engagement reported that aim was to link the results from SMART survey back to the service principles.

29. Bernard Herdan noted that this project could be used as a measure for future staff surveys. He reported that RemCo would keep a watching brief to ensure

the service principles continued to be embedded and drive the right behaviours within the organisation.

30. The Board thanked Claire for her hard work and the quality of outputs from this project.
31. The Board noted that work was continuing on the EU Alternative Dispute Resolution directive with an update due at the July OLC Board.
32. Discussion took place on the number of cases being accepted, which was currently behind budget. The Head of Operations reported that an update would be provided at the July OLC Board, when he could be more certain on whether this trend would improve.

ACTION:

- **The Head of Operations to provide an update on the number of cases being accepted.**
33. Discussion took place on the resourcing within Operations. It was noted that there would be a discussion on quarterly performance at the July OLC Board.
 34. It was noted that, out of committee, the Board approved the ombudsman appointments, as requested by the Chief Legal Ombudsman.

Finance Report

35. Members noted the Finance Report. There were no questions raised.

Register of Interests

36. Members approved the Register of Interests. It was noted that the updated document would be published on the LeO website as part of the LeO publication scheme.
 - **The Board Secretary to publish the Register of Interests on the LeO website.**

Item 5 – RemCo Update

37. Bernard Herdan, RemCo Chair, updated the Board on recent RemCo business. He reported that a closed meeting had been held to discuss the establishment review, the proposals of which had now been implemented.
38. It was noted there was then a formal RemCo meeting in May. The RemCo Chair updated members on the key items discussed at that meeting. He reported that sickness levels were discussed with a further update due to be tabled at the June RemCo meeting. He noted there were no emerging trends but RemCo would continue to monitor this.

39. There had been discussion about the recent staff survey results which it was noted had been less positive in the Resolution Centre area. This would be discussed at the June RemCo meeting.
40. Jane McCall, RemCo member, reported that she had attended the recent Staff Council meeting. She noted that there was a very mature, constructive debate about the performance incentive scheme which represented the strong relationship between staff and the senior team.

Item 6 – IT Update

41. The OLC Chair welcomed Nikki Greenway, Head of IT and Conor McColgan from Version One and noted the successful partnership which had been established between the OLC and the delivery partner, Version One
42. It was noted that capital spend for the current financial year had been approved by the MoJ. The aim would be for the majority of this capital spend to be used on the development of the IT environment.
43. Conor McColgan reported that his team were focussing on the stabilisation of the IT system to ensure users had access to the core systems and information. He noted the positive working relationships being established with both the staff and other third party organisations.
44. The Board noted that the contract with Version One included Service Credits and Service Level Agreements to ensure mechanisms were in place to deal with issues and incidents.
45. Jane McCall reported that she was keen that the organisation look at this work in the context of a wider business transformation which detailed how technology would support this. It was agreed that this work was the start of wider fundamental review of the business process to include demand forecasting and the resourcing model.
46. Discussion took place on the proposed Microsoft CRM upgrade which was due to take place in August. The Board sought assurance that the impact of this update on the system would be minimal. The Head of IT reported that preparatory work was being undertaken to model the effect of the upgrade. She reported that if required, it would be possible to delay the upgrade to later in the year. The Board noted the risk highlighted and the mitigating actions being undertaken by the Executive. It was agreed the Board would keep this under review over the coming months.
47. Discussion took place on the introduction of the portal. It was noted that further development on this would not proceed until the system was sufficiently robust and secure.

48. It was agreed that the Head of IT would present a substantive update at the October OLC Board which would include a detailed plan with business justification for taking the work forward.

ACTION:

- **The Head of IT to present a substantive update at the October OLC Board which would include a detailed plan with business justification for taking the work forward.**

49. The Board thanked the Head of IT and Connor McColgan for their updates.

Item 7 – MoJ Tailored Review Team

50. The Chair welcomed Alison Wedge and Gerri Clement from the MoJ to the meeting.

51. Alison Wedge outlined the background to the Tailored Review process. It was noted that a triennial review for both the OLC and LSB had taken place in 2012. It was noted the triennial reviews had been replaced with the current Tailored Reviews, which were designed to add value to both the Department and Arms' Length Body.

52. The Tailored Review team will schedule a series of meetings with staff for later in July.

53. If required, Board members will be available for interview as part of the Review.

54. Discussion took place on whether the Tailored Review team planned to benchmark the OLC constitution against any other ombudsman schemes. It was noted that Tony King had already undertaken a similar piece of work, which would be shared with the Tailored Review team.

55. Alison Wedge reported that, once completed, the Terms of Reference and Project Initiation documents would be shared with the Board and Executive.

ACTION:

- **The Board Secretary to ensure the Terms of Reference and Project Initiation documents were shared with the Board and Executive.**

56. Discussion took place on the next steps following the completion of the Tailored Review. A set of recommendations would be developed for implementation and progress against these would be monitored by the MoJ Sponsor Team. A follow up review would be scheduled by the Tailored Review team, in either three or six months.

57. It was agreed that Alison and Gerri would present emerging findings at the September OLC Board.

ACTION:

- **The Board Secretary to note on the Board Forward Plan that the Tailored Review team would present emerging findings at the September OLC Board.**

58. The OLC Chair thanked Alison and Gerri for their update and emphasised that the Board and Executive were enthusiastic about taking part in the Review.

Item 8 – Casework and Policy Committee

59. The OLC Chair reported that it was key that the Board ensure appropriate levels of oversight to drive the organisation forward. He noted that the Grant Thornton report on governance contained a recommendation that the OLC Board should consider setting up a 'Casework and Policy Committee'. He reiterated that any decision taken now could be changed.

60. A discussion took place on the contents of the paper, during which Bernard Herdan acknowledged that there was currently limited visibility at Board level on the quality of decisions taken. He acknowledged that the Board could not get involved in individual cases or decisions.

61. The OLC Chair reported that he had discussed the casework oversight proposal, contained in Options 2 and 3 of this paper, with Tony King who had been positive about taking on the role.

62. It was agreed that Option 3 would be the chosen way forward and that the effectiveness of this option would be reviewed at the December Board meeting.

ACTION:

- **Option 3 to be implemented with Tony King taking the lead on Casework and Michael Kaltz, continuing with his the lead on performance. These arrangements to be reviewed at the December Board meeting to ensure that they are working effectively.**

Item 9 – Case Fees

63. The OLC Chair welcomed Andy Gale, Head of Operational Insight and Engagement, Alex Moore, Stakeholder and Public Affairs Officer and Darren Cox, Ombudsman, to the meeting.

64. It was noted that to inform this proposal, various focus groups had been held with stakeholders as well as separate meetings with the Legal Services Board. Feedback from the Law Society was also taken into account when advising that a tiered model would be fairer.

- 65.** Alex Moore reported that the Case Fees Review paper focussed on the proposals for a tiered case fee structure. She reported that discussions had been held with staff from both jurisdictions to look at any operational impact. Work had also been undertaken on the financial modelling.
- 66.** The Board noted that the case fees had not changed in six years.
- 67.** The OLC Chair suggested that the narrative justifying the charging of case fees should shift from the 'polluter pays' principle and instead should be based around the OLC's duty to promote the Regulatory Objectives.
- 68.** The Board approved joining the case fee review to the wider scheme rules consultation, due to take place later in 2016. The Board also approved including the preferred tiered case fee model in the scheme rules consultation.
- 69.** The Board did not accept that the case had properly been made for charging a supplementary fee of £100 and indicated that this would only be further considered if accompanied by additional legal advice.
- 70.** The OLC Chair thanked the team for a good piece of work.

Item 10 – Any Other Business

- 71.** No other business was raised. The Chair declared the meeting closed.

Next meeting

- 72.** The next OLC meeting would be held on 19 July 2016 in Birmingham.