

**Minutes of the One Hundred and Seventh Meeting of the
Office for Legal Complaints (OLC)**

Monday 28 September 2020: 10:30 – 16:00, by video call

<p>Present: Elisabeth Davies, Chair Lis Bellamy Rod Bulmer Shrinivas Honap (items 1 to 8) Annette Lovell (items 1 -7 and 9 – 18) Jane Martin Board Secretary Kay Kershaw Apologies Rebecca Hilsenrath</p>	<p>In attendance: Mariette Hughes, Acting Chief Ombudsman Siobhan Fennell, Head of Governance and Strategy Michael Letters, Head of Finance Alison Wedge, Ministry of Justice Jack Sawbridge, Business Intelligence Manager, (items 6 and 6A) Laura Stroppolo, Business Planning Manager (item 7 and 12) Petrina Hoggan, Interim Head of Organisational Design and People Strategy (items 10 – 18) Steve Pearson, Deputy Chief Ombudsman (items 10 to 18) Kerensa Scott, Executive Assistant</p>
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Preliminary issues:

The Board meeting was quorate.

Item 1 – Welcome, apologies and declarations of interest

1. The Chair welcomed attendees to the meeting.
2. There were no apologies.
3. There were no declarations of interest reported.

Item 2 – Previous Minutes

4. The minutes of the OLC Board meeting held on 27 July 2020 were **approved** for accuracy and **approved** for publication.

ACTION: Board Secretary to publish the minutes of the OLC Board meeting 27 July 2020.

5. The minutes of the RemCo meeting held on 11 March 2020 were **approved** for publication.

ACTION: Board Secretary to publish the minutes of the RemCo meeting held on 11 March 2020.

6. The minutes of the RemCo meeting held on 16 April 2020 were **approved** for publication.

ACTION: Board Secretary to publish the minutes of the RemCo meeting held on 16 April 2020.

Item 3 – Matters arising and outstanding actions from previous meetings

7. Out of committee on 21 August 2020, the Board was asked to approve the Transparency agenda: post consultation response for publication. Feedback was provided by some Board Members and, recognising that other Board Members were on annual leave and unable to respond within the timescales set out, the Chair provided final edits and comments on the paper. The paper was updated accordingly and published. The Board **ratified** the decision taken by the Chair to provide final edits and comments on this paper prior to its publication.
8. The Board **agreed** that action 3 paragraph 16 arising from the Board meeting held on 27 April 2020 should now be closed on the basis that the quality of Board papers will be reviewed at future Board meetings as part of the standing agenda item on Board effectiveness.

ACTION: Board Secretary to close action 3 paragraph 16 from the Board meeting on 27 April 2020.

9. The Chair advised that the next ARAC meeting, due to take place on 12 October, may have to be rescheduled subject to the availability of the new ARAC Chair.
10. An additional Board meeting has been scheduled for 5 October 2020 and will focus on the emerging draft 2021/22 budget a consultation.
11. The Chair advised that a final decision on the Board and Committee meeting schedule for 2021 would be made following the discussion of the agenda item on Board effectiveness.
12. The Board **noted** the update on matters arising and the update on actions from previous meetings.

Item 4 – Chair’s Report

13. The Chair updated the Board on recent recruitment activity:
- A Non-Executive Board Member and ARAC Chair has been appointed and will take up post on 1 October 2020
 - A preferred candidate has been identified for the Chief Operating Officer (COO) role. References are being sought and it is hoped that the candidate will commence in post in December.

- RemCo has approved the appointment of a new Chief Ombudsman, in line with its delegated Board authority. Approval is now being sought from the Permanent Secretary for the Accounting Officer aspect of this role. It is hoped that the candidate will commence in post in December.
14. Alison Wedge advised that she did not anticipate any issues with MoJ approval for the Accounting Officer aspect of the new Chief Ombudsman's role.
 15. The Chair thanked the acting Chief Ombudsman for accepting the Accounting Officer role in the interim period and advised the Board that additional external mentoring and support was being provided to support them in this role.
 16. The candidates for the CO and COO roles have confirmed their willingness to attend key meetings and provide input on important organisational matters where possible during their notice periods.
 17. The Interim Director of Operations and acting Chief Ombudsman welcomed the CO and COO appointments.
 18. Arrangements for the induction of the new Non-Executive Board Member, CO and COO were in hand. Additionally, arrangements were being made for the induction of a new LSB Board Member who has responsibility for the OLC.
- The Board **noted** the Chairs report.

Item 5 – Executive report

19. The Acting Chief Ombudsman presented the Executive report, advising that over the last two months the Executive Team had focussed on re-gaining grip across the organisation.
20. The Executive Team continues to work well together and now has a clearer view of organisational priorities. Recognising the significant burden of responsibility that has been placed on them during this transition period, the Executive welcomed the additional HR resource that had been procured which was enabling them to focus on optimising performance and to address the scale of cultural change that was required.
21. The Board was advised that pre-consultation meetings had commenced with stakeholders to explain what will be required to further upscale recovery improvement.
22. The Board acknowledged the work being done by the Executive Team, the challenges they were facing and the burden of responsibility that they were carrying.
23. The Board **noted** the Executive report.

Item 6 – Update on Performance and Quality Task and Finish Group

24. A paper reporting on the progress made by the Performance and Quality Task and Finish Group (P&Q Group) was circulated to the Board prior to the meeting.
25. The Chair of the P&Q Group advised that having scrutinised the staffing delivery model to determine its robustness and integrity as a forecasting tool that underpinned performance and operational delivery, the P&Q Group was satisfied that the model worked in terms of providing a forecast resourcing requirement against an agreed set of assumptions.

26. As such, the P&Q Group was confident in providing the Board with assurance on the underlying modelling and the basis for setting the budget and KPIs.
27. The Board **noted** the assurance on forecasting provided by the P&Q Group.
28. The Chair of the P&Q Group highlighted concerns about the limitations of the current forecasting model, the unknown impact of Covid-19 on supply and demand and the risk they posed in terms of forecasting. Additionally, the Board's attention was drawn to the extent to which 'hope value' may have been embedded in the forecasting assumptions; whether the incremental recovery plan had been radical enough; whether the budget outcomes good enough, and whether the Board should support the Executive's recommendation for a dynamic forecasting model.
29. A recommendation was made for the Executive to consider developing a Covid plan with a core scenario that was rigorously back tested in order to mitigate the unknown impact of Covid-19 on supply and demand.
ACTION: The Executive to consider developing a Covid plan to mitigate the risk of the unknown impact of Covid on supply and demand.
30. The Executive acknowledged the limitations of the current forecasting model and explained that because of the work undertaken by the P&Q Group, more accurate performance reports would now be presented to Board. These reports would include detailed supporting narrative explaining the reasons for a specific assumption not being met. The Board was advised that the cumulative impact of staff and service providers being unavailable combined with interruptions to staff workflow would be more difficult to quantify in terms of assumptions on productivity.
31. The Executive acknowledged the need for a dynamic forecasting model and how it would support the organisation in identifying future efficiency savings, but felt that external resource would be required, both in terms of expertise to develop it and in order to provide the Board, stakeholders and staff with independent assurance on the accuracy of its forecasting and the targets being set.
32. Some concern was raised about the lack of information available to the Board about the optimal number of cases an investigator should investigate each month and the optimal time it should take to investigate each case. In discussion it was felt that, due to the nature of each case being different, it would be unwise to spend time calculating optimal investigation times.
33. The Executive explained the rationale for the current investigator case closure target and reported on innovative work being considered that might assist in predicting investigation times.
34. A discussion took place about ways to maximise the number of cases being taken out of the PAP for investigation.
35. The Board recognised the importance of good people management to ensure that staff were able to do the best job possible in order to maximise productivity.
36. The Chair thanked the P&Q group for its work in providing the Board and stakeholders with confidence about the commonly agreed data set, KPIs and budget planning.

Item 6A – KPIs 2020/21 and update on performance forecasting assumptions and common dataset.

37. The Board considered the assumptions underpinning LeO's performance forecasts for the remainder of the year and forecasts for the purpose of budget planning:

38. The Board's attention was drawn to the following key assumptions:

Assumption 1 – Files added to the Pre-Assessment Pool: The Board was advised of a short-term increase that would be seen in the number of files added to the PAP. A more sustained increase would then be seen in Q1 with a view to incrementally reducing the processing time for incoming written contact to 5-days.

Assumption 2 – Attrition: A significant reduction in attrition in the investigator cohort has been seen due to Covid, but an increase is expected before the end of the financial year as performance management increases, probationary periods end, and competitors open up recruitment.

Assumptions 3 and 5 – Parental leave / special leave: This is expected to reduce, but some special leave will be required due to temporary school closures or the need for staff to self-isolate. LeO now expects staff to take special leave as a last resort.

Assumption 4 – Long term sickness: This is aligned to attrition, and a slight increase is expected due to performance management.

Assumption 8 – Closure per investigating L1 Ombudsman FTE: The Executive is looking to stabilise the L1 Investigating Ombudsman Team to ensure more consistent closure rates of 3.5. This team deals with complex cases and a closure of 3.5 cases is considered reasonable by the Executive. Consideration would be given to supplementing the L1 investigating Ombudsman's work if the number of complex cases reduce over time.

Team deal with Complex cases - this seems low 3.5 – keen to look at if we can attain this level of performance the

Assumption 9 – Closure per established Investigator: The Management Team has given careful consideration to what is realistic in terms of Investigator closures and it is expected that closure per Investigator will return to pre-Covid levels by the end of the financial year.

39. The Board confirmed that, based on the work undertaken by the P&Q Group and the information presented, it was **assured** on the assumptions underpinning performance and budget forecasts.

40. The Board considered the proposed 2020/21 KPI's, targets and Board metrics:

41. The Board's attention was drawn to the following proposed KPIs:

KPI01 – Quality (reasonable outcome): The Executive did not propose any changes to the previous KPI of 95%.

42. KPI02 – End to end customer journey time: The Executive explained that there is ultimately a desire to measure the customer journey time from the point that someone first contacts LeO to the point that their investigation and complaint has conclude, progress to achieve this measure will be incremental; in 2021/22, it is expected that the starting point will be measured from the date at which all relevant material is received and in 2022/23, the starting point will be measured from the date of the initial contact. For the remainder of 2020/21 the Executive proposes to measure the end to end KPI from the date a case enters the PAP to the date at

which the case is concluded, and this will be accompanied with metrics from within the agreed data set on GET performance.

KPI03 – Customer Satisfaction: There was no proposed change to the target for ‘satisfied with outcome’ metric, but the Executive proposed that the target for ‘dissatisfied with outcome’ metric was changed from 15% to 12%. The target of 15% had never been achieved and it was felt that it would be more beneficial for the organisation to have a target that it could progress towards.

KPI04 – Percentage of Service Providers agree that LeO Provides useful and relevant training resources: The Executive did not propose any changes to the previous target of 80%.

KPI05 – Stakeholder satisfaction: This is based on an annual survey and there is no target. The Executive did not propose any changes to this.

KPI06 – Unit Cost: The unit cost KPI is based on the annual budget and the annual delivery plan for case resolution. The Executive proposed a Board metric on value for money to provide some context to the unit cost KPI. The Board metric would split the unit cost across the advice and support service and the case investigation areas of the business process.

43. Recognising that the proposed KPIs and targets did not represent what the Board thought was acceptable, the Chair acknowledged that they were nonetheless challenging targets for LeO at this time. Acknowledging that stakeholders would be critical if KPIs and targets were not achieved, particularly the end to end KPI and unit cost KPI, the Board was keen to ensure that the final agreed KPIs and targets were credible and realistic and felt that it would be necessary to ensure that a clear external narrative accompanied the publication of the 2020/21 KPIs.
44. Concern was raised about the Board not having a Covid plan and the implications of this on external communications.
45. Considering the need for secondary Board metrics, the Chair of the P&Q Group explained that there had previously been a disconnect between KPIs and other data presented to the Board. A combination of secondary data (Board metrics), the commonly agreed data set and data on KPIs would ensure that the Board was better equipped to assess organisational performance in the future. The Executive confirmed that the shared data set, KPIs and core elements of the balanced scorecard were aligned to LeO’s strategic objectives.
46. Concern was raised that some ‘hope value’ had been applied to the proposed unit cost. The Executive explained that the proposed unit cost had been determined at the time the standstill budget had been agreed and did not account for the impact of Covid on performance. Based on current performance, LeO would not achieve this KPI; the actual unit cost would be significantly higher, and this would need to be explained in external communications when the 2020/21 KPIs are published.
47. The Chair stated that she did not expect to see a single KPI on unit cost in the 2021/22 suite of KPIs.
48. Concern was raised about reducing the KPI for customer satisfaction from 15% to 12% and it was suggested that a better measure of customer satisfaction would be to measure the ratio between satisfied and dissatisfied customers instead.
49. Considering the points raised by the Board, the Executive requested a steer on:
 - whether the Board wished to revise the 2020/21 unit cost KPI to reflect the impact of Covid on performance.
 - how the Board wished to proceed with the customer satisfaction KPI.

- how the Board wished to proceed in terms of the external narrative around the final 2020/21 suite of KPIs regarding positioning the targets, the standstill budget, implications of Covid and what good looked like.

50. The Executive explained the proposed additional metrics for GET processing times in 2020/21 that would support the end to end KPI. This included metrics on wait times and investigation times. Wait times for low and medium complexity cases would be 4 months and high complexity cases 9 months, with investigation times of 90 days for low complexity cases, 180 days for medium complexity cases and 365 days for high complexity cases. Overall, this equated to a service level for customer journey time of 210 days for a low complexity case, 300 days for a medium complex case and 635 days for a high complexity case.
51. Recognising that wait times were not acceptable for customers, the Executive advised that due to the impact of Covid, the 4-month wait time target could not be achieved in 2020/21 and therefore the end to end KPI target would not be met this year.
52. Considering that Lord Keen had asked for the end to end KPI, the MoJ urged the Board to set out what it considered to be an acceptable service provision for customers, an accurate description of LeO's current performance and a credible recovery path within a specific timeframe. Concern was raised about the customer journey time for high complexity cases being over 12 months and that the organisation would need to consider the narrative around this.
53. The Board discussed the need to ensure consistency across its KPI suite regarding the implications of Covid.
54. Recognising that the P&Q Group had not reviewed in detail the targets set out by the Executive for the 2020/21 suite of proposed KPIs, it was **agreed** that a sub-committee of the P&Q Group would undertake a detailed review of the targets to consider what an acceptable outcome would be, what the targets would have been without Covid and what targets were likely to be achieved considering the implications of Covid. The P&Q Group **agreed** to report back to the Board with recommendations on KPIs and targets at its meeting on 5 October when KPIs and targets would be formally agreed.
- ACTION: A sub-group of the P&Q Group to review the proposed KPI targets and make recommendations to Board on 5 October on what targets would be acceptable and achievable in 2020/21 and what targets would have been if Covid hadn't had an impact on organisational performance.**
55. The Chair confirmed that a commonly agreed data set had been agreed with the MoJ and LSB and this information would be shared on a monthly basis.

Item 7 – Update on risk assurance

56. The Head of Governance and Strategy updated the Board on risk assurance activity.
57. Regular risk updates were taking place in line with the business performance review cycle and management team meeting cycle and risk is being tracked on key budgets and projects, including the budget and business plan, capital spend, payroll and People Plan.
58. A review of the organisational risk register will take place ahead of the next ARAC meeting to ensure that the risk mitigations and controls are fully aligned with the strategic and operational objectives.

- 59. A plan will be presented to ARAC outlining further work required to improve the risk assurance framework; this will take into account feedback and recommendations from phase one of the internal audit on risk management. The Board was alerted to implications around resource and capacity within the Executive Team to implement the recommendations from this first phase of the audit and advised that current risk activity had been prioritised on key areas. Phase two of this audit will consider the improvements that have been implemented and a full audit opinion will subsequently be issued.
- 60. The Terms of Reference for the risk and governance audit will be shared with the new Chair of ARAC along with the workplan to be put in place for this audit.
- 61. The audit on workforce planning had commenced.
- 62. The outgoing Chair of ARAC offered to brief the incoming Chair on issues and concerns around organisational risk.
- 63. The Board **noted** the update on risk assurance.

Item 8 – Finance report

- 64. The Head of Finance updated the Board on the financial position at the end of Month 5.
- 65. Year to date expenditure is overspent by £85,000.
- 66. Expenditure on Pool Ombudsman had reduced this year, with £14,000 spent to date and £13,000 spent in April in respect of 2019/20 activity.
- 67. The Board was alerted to significant budget errors that he had been identified resulting from an overcomplicated accounting process and an insufficient checking process that had previously been adopted within the Finance department. Actions have been taken to mitigate the risk of such errors occurring again and processes are in place to check the work of the Management Accountant and Head of Finance.
- 68. An overspend of £90,000 was reported against current forecast. To mitigate this an interim budget application is to be submitted to the LSB; if this is not approved, further consideration would be given to actions that could be taken to balance the budget.
- 69. The Head of Finance confirmed that discussions were taking place with the MoJ to establish whether cash reserves could be used to address the forecasted overspend. The Chair reported that she had requested early clarification from the MoJ on whether this would be possible.
- 70. The Chair of ARAC advised contextualising the use of cash reserves against a potential re-budgeting process when submitting the interim budget application.
- 71. Case fee income was less than forecasted due to a reduction in case closures; this was being monitored but if performance didn't improve it was likely that an increase in levy would need to be sought. Recognising that any increase in the levy would not be popular, Board Members were keen to pursue the use of cash reserves where possible.
- 72. The Chair of ARAC recommended that the Board would benefit from receiving a paper that aligned performance against actual budget.

ACTION: The Head of Finance to consider presenting a paper to Board that aligns performance against actual budget.

73. The Head of Finance reported that aged case fee debt had decreased significantly. The accrual of aged case fee debt was currently shown on the balance sheet and would be invoiced in February 2021.
74. The Chair of ARAC reported concerns about the over reliance on spreadsheets within the Finance Department and recommended that information held within these spreadsheets was integrated into the accounting system. In response the Head of Finance advised of improvements that had already been made to authorisations for payments and the sales ledger and that he would be giving further consideration to how accounting system could be used more effectively.
75. The Head of Finance reported that he would be considering further improvements to budgetary reporting in the future.

The Board **noted** the update on finance.

Item 9 – Covid-19 recovery planning, including performance report and confidence in forecasting.

76. The Acting Chief Ombudsman reported that performance had remained steady in July and August in line with the Covid forecast and wait time for Ombudsman decisions had reduced.
77. The amount of special leave was now reducing, and staff have been informed that they would now be expected to work their full contracted hours with special leave only being granted in extreme circumstances and only by exception.
78. Recognising that there would be occasions when staff were unable to work due to caring responsibilities, such as school closures resulting from Covid, assumptions have been built into performance forecasting for a loss of 1.5 FTE investigators.
79. Considering the Covid impact on performance, Board Members were concerned that performance forecasts for October and November included an element of 'hope value' and that targets would not be achieved. The Acting CO acknowledged that the forecasted targets were stretch targets.
80. LeO's office had successfully and safely re-opened but was temporarily closed again following updated Government advice received three days later. The Executive was giving further consideration to re-opening the office for staff to attend in exceptional circumstances.
81. Board Members urged the Executive not to underestimate the impact of the extended period of homeworking on staff morale and well-being, recognising that even those staff that had coped well and were working productively at the start of lockdown could be adversely affected by this prolonged period at home.
82. Recognising the potential impact on attrition and performance, the Board was advised of an investigator recruitment campaign that had been launched by a local competitor offering a more attractive salary than LeO.
83. The Board was advised that LeO's flexible working offer was now no longer unique as competitor organisations had adapted their ways of working due to Covid. Geographical location has become less of an issue for staff seeking alternative employment and the Board was alerted to the potential implications of this on attrition. Conversely, should the new CO

wish to make LeO a fully homeworking organisation, there would be opportunities for LeO to recruit staff from a wider geographical pool.

- 84.** HR will be considering pay benchmarking, terms and conditions and the implications of geographical locations as part of its wider work on the People Plan; this was welcomed by Board Members.
- 85.** The Board was advised of potential implications and risks for attrition if the interim budget application was declined considering the alternative measures that would need to be put in place to balance the budget.
- 86.** As service providers re-open, the number of suspended cases has reduced and are back to pre-Covid levels. Consequently, there has been a reduced number of cases taken out of the PAP because investigations have focussed on those cases that have come out of suspension; WIP therefore remained constant. As these re-opened cases were further along the investigation process, it was likely that higher closure rates would be seen in the short term.
- 87.** Recent discussions with stakeholders have focussed on the need for the legal profession to refresh its ways of working in preparation for a possible second wave of Covid. Service providers have been advised that they would be expected to continue to engage with LeO during a second wave and this approach has been supported by regulators and representative bodies.
- 88.** The Acting CO updated the Board on the ongoing work taking place to ensure performance recovery:
- 89.** Performance assumptions setting out an improvement trajectory through to the end of 2020/21 have now been agreed. The assumptions have factored in on going improvements, annual leave and anticipated attrition and set out a peak in performance in November.
- 90.** A new approach to managing by behaviours has been rolled out to Line Managers in operations in line with the People Plan actions to improve capability.
- 91.** Evidence has been seen that work piloted at the front end of the business last year has been effective. A full report will be presented to Board at the October meeting.
- 92.** The Acting CO reported on innovative technological improvements being considered to enhance performance recovery.
- 93.** The Acting CO reported on a proposal to utilise Level 1 Ombudsman resource more effectively by freeing up 180 hours of their time each month to assist with performance recovery; if successful, this would reduce the PAP from 4968 to 4862 by the end of the year. The scale of this improvement is comparable to the output of an additional 6 new established investigators working on investigations with no financial cost and no long-term changes to structure or roles.
- 94.** The risks associated with the utilisation of Level 1 Ombudsmen are being managed by the Executive and change management meetings have taken place with staff.
- 95.** Board Members recognised the efforts being made by the Executive to recover performance using existing resources and agreed with the recovery proposals that were being put forward for the short term, but strong personal concerns were raised that, considering the Board's strategic objectives, LeO's performance recovery trajectory was not good enough.

96. Recognising that performance at the start of 2020/21 was already below acceptable levels, that the OLC hadn't received a budget adequate to withstand significant performance recovery this year, that LeO had lost its senior team and had to endure the impact of a pandemic, Board Members also felt that it was necessary to be realistic about what was actually achievable this year.
97. The Acting CO acknowledged and concurred with the concerns raised by Board Members and stressed that the recovery proposals that had been put forward stretched the organisations current capacity and reflected the maximum that could be achieved with current resources. Further consideration on what would be needed to recover performance and how it would be funded would be discussed at a forthcoming Board meeting focussing on the 2021/22 budget and business plan.
98. Recognising the impact of the PAP and wait times on consumers, the Acting CO reported on feedback from the profession that indicated that Service providers would be unable to keep pace with demand and case fees if LeO were to clear its PAP too quickly; this would also need to be considered as part of LeO's long term performance recovery proposals.
99. Following a detailed discussion, the Board **approved** the proposals put forward for performance recovery as an interim plan, but recognised that this was not enough and was not acceptable and a significant improvement in performance was expected in 2021/22

Item 10 – Update on the RemCo meeting held on 7 September 2020

100. The Chair of RemCo updated the Board on discussions that had taken place at the RemCo meeting held on 7 September and reported that:
- A performance report is to be presented at all future RemCo meetings for consideration alongside the People Plan and Delivery Plan. Performance outcome metrics would be considered and any concerns from a People Plan perspective would be reported back to the Board.
 - RemCo would satisfy itself on behalf of the Board that the Executive was delivering the People Plan and report back to Board on any actions that may be required in mitigation.
 - Having considered the recommendations arising from the Independent Review on behalf of the Board, RemCo had been assured on the analysis of the current situation and the alignment of the Independent Review recommendations with other data, including the Civil Service Survey Results.
 - RemCo recognised the challenges that the organisation was experiencing and that revisions would be required to the People Plan, which they asked to be presented to Board as soon as possible.
101. Overall RemCo had been assured that the People issues were being considered effectively and in a more focussed way, but that it would be important for the Board to maintain assurance and accountability for the recommendations arising from the Independent Review.

102. Recognising that some of the actions related specifically to the Board, the Chair of Remco stressed that it would be important to ensure that all actions were carried through as a coherent whole in response to the Independent Review.

ACTION: Board Secretary to update the Board forward plan to include a review of all actions arising from the Independent Review.

Item 11 – Approval on 2020/21 interim budget application

103. In line with provisions set out in the Tripartite Protocol, the Executive put forward a recommendation to the Board to submit an interim budget variation to the 2020/21 budget for additional funding of £344,315, an increase of 2.7%.
104. Considering the Board's position in March and its agreement to seek a standstill budget in light of the unknown implications of Covid at the time, some Board Members were uncomfortable with the rationale for this interim budget application.
105. Board Members were keen to understand the LSB's position, the process that needed to be followed and how any additional funds would be recovered.
106. The Board was advised that there wasn't a process outlined for an interim budget submission; the Tripartite Protocol simply required engagement between the OLC and LSB during the process and there was no requirement for external consultation.
107. Any agreed increase in budget would be funded from an increase in the levy. The OLC and Executive acknowledged the implications of this increase on the profession.
108. The LSB has not given any clear indication of their view on this interim budget application, this is because the OLC has not made a formal decision on whether to proceed with the application.
109. The Executive reported on the action that would need to be taken if the Board decided not to proceed with this interim budget application, or if it was rejected by the LSB.
110. Considering that LeO is to have a new CO and COO, the Executive stressed the importance of ensuring that there was a resilient team to support them and that this interim budget application was vital for that.
111. Following discussion, the Board **approved** the interim budget application as set out in a paper circulated prior to the meeting, subject to the consistency of narrative around performance recovery and subject to clarity on the budget planning for the 2021/22 budget.

Item 12 – Update on the 2021/22 planning for the business plan and budget

112. The Business Planning Manager updated the Board on the progress being made regarding planning for the 2021/22 business plan and budget:
- 48% of the activities set out in the project plan have now been completed in line with deadlines.
 - Informal external engagement with stakeholders has commenced.
 - Budget forecasting assumptions were considered by the P&Q Group on 16 September.

- Consideration has been given to the 2021/22 FTE submission; check and challenge meetings have taken place to ensure the accuracy of the FTE information that will be included the budget submission.
- Consideration is being given by the Executive to the narrative around business plan deliverables.
- A dedicated Board meeting has been arranged for 5 October to focus on the emerging business plan and budget.
- A challenge panel meeting will be taking place with the LSB on 12 October.

113. Critical tasks have been identified in line with the Board's recommendations.

114. Where appropriate, information on the emerging business plan and budget will be shared with the new CO and COO and their views will be sought and taken into consideration. It is acknowledged that some late changes may be required and the LSB has been alerted to this and the risk register updated accordingly.

115. Seven risks, owned by the Executive, have been added to the risk register in relation to the budget and business plan.

116. The Board **noted** the update and took assurance from the project management structure and processes that has been put in place to support planning for the 2021/22 business plan and budget.

Item 13- Board Effectiveness

117. A paper updating the Board on progress made against the actions arising from the 2019 Board effectiveness review and the Board actions arising from the Independent Review was circulated to the Board prior to the meeting.

118. The paper also set out the Chair's wider reflections on Board effectiveness regarding the focus and frequency and Board meetings, Board development, Board Leads and Board Member remuneration.

119. The Board agreed with the Chair's proposal for 7 core Board meeting in 2021 supplemented by a strategy away day and a Board development day and confirmed that the proposed format of Board meetings was broadly right.

120. Considering the frequency of Board meetings Members suggested that it would be helpful if Board papers included a backward look as a reminder of previous discussions and agreements.

121. Board Members requested that ad hoc Board meetings were minimised where possible.

122. In discussion Board Members welcomed the opportunity for a strategy away day, recognising the importance and benefits of having time and space to reflect and debate the Board's strategic vision and priorities. The Board recommended that this took place earlier in the year, just after the new CO and COO join the organisation.

123. Board Members also welcomed the opportunity for a Board development day, recognising the benefit it would have on developing Board alignment.

124. The Chair reported that the MoJ and LSB were considering whether they needed to observe future Board meetings.
125. Following discussion, the Chair confirmed that she would reflect on the Boards feedback and work with the Board Secretary to arrange the 2021 Board meeting dates.

Item 14 – Tripartite protocol

126. The Board reviewed and **approved** the updated Tripartite Protocol.

Item 15 – Scheme of Delegations

127. The Board reviewed and **approved** amendments to the Scheme of Delegations.

ACTION: Head of Finance to update the Scheme of Delegations in line with the amendments set out in the Board Paper and publish the updated Scheme of Delegations.

Item 16 – Board Paper Redactions and Non-Disclosure report

128. The Board reviewed a paper setting out the redactions and items for non-disclosure proposed in respect of the September Board papers.
129. The Board **approved** the items identified for redaction and non-disclosure.

ACTION: Board Secretary to publish the September Board papers subject to the approved redactions and items for non-disclosure.

Item 17 – Board Effectiveness

130. In line with the Board's commitment to improving Board effectiveness, Elisabeth Bellamy provided reflections on the meeting:
131. Elisabeth reflected on the need to consider the impact of Covid on Board Members, recognising that remote meetings didn't work for everyone, that some Board Members hadn't yet met face to face with the new Chair and the personal Covid challenges that some individuals were experiencing.
132. The best Board session had been the on the Covid recovery plan where the Board had been able to debate, reach a conclusion and provide a clear steer to the Executive on what was required.
133. Considering the quality of the Board papers, the Executive summaries in both the Chair's report and the Executive reports had been very clear. There was some overlap across some of the papers and consideration should be given to addressing this in future papers.
134. The Board had needed more time to discuss KPIs and the business plan.
135. Recognising that the best Board session, it was felt that the did not always correlate to the best Board paper. Sometimes a well written Board paper didn't require as much debate by the Board. At this meeting the best session had been the debate on the Covid recovery plan,

and the Board had reached a conclusion and been able to give a clear steer to the Executive on what was needed.

Item 18 – Any other business

136. The Chair thanked Shrinivas Honap for his work as a Board Member and Chair of ARAC and wished him well for the future.