

Minutes of the 120th Meeting of the Office for Legal Complaints (OLC)

Thursday 26 May 2022 09:00 – 13:00

<p>Present: Elisabeth Davies, Chair Lis Bellamy Annette Lovell Hari Punchihewa Alison Sansome Dale Simon (items 1-4) Martin Spencer Jane Martin Board Secretary Kay Kershaw</p>	<p>In attendance: Paul McFadden, Chief Ombudsman Sandra Strinati, Chief Operating Officer Steve Pearson, Head of Complex Casework and Deputy Chief Ombudsman Michael Letters, Head of Finance Debra Wright, Head of Head of People Strategy and Services Laura Stroppolo, Head of Head of Programme Management and Assurance Luke Hutcheson, Business Intelligence Manager (items 3 and 4) Deb McIntyre, Operations Manager (item 3) David Peckham, Operations Manager (item 3) Steph Godbold, Stakeholder and External Engagement Manager (item 7) Susan Bradford, Independent Service Complaint Adjudicator (item 11) Betty Liu, Executive Support 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. Annette Lovell reported a new appointment as a lay member of the Independent Regulatory Board of the ICAEW.
3. The OLC Chair reported on the rigorous process undertaken to determine whether this appointment would create any conflict of interest. Having considered the interaction between the OLC/LeO and the ICAEW, and having taken advice from the LSB, the OLC Chair was satisfied that this appointment would not create any significant conflict of interest.
4. There were no declarations of interest reported.

Item 2 – Executive Report

5. The Chief Ombudsman reported on a meeting that had taken place with Staff Council to discuss and explain the rationale for LeO's proposed inflationary pay award. Staff Council had provided feedback on the amount of the proposed pay award and had highlighted concerns about the increase in the cost of living. The Executive would be monitoring the impact of wider inflationary and cost of living pressures on staff and would report any concerns to the Board.
6. LeO was in the process of submitting the pay remit to the MoJ for approval. Once approved communications would be issued to staff to confirm the pay award.
7. Recognising that the MoJ had indicated that there was potential for flexibility in the 2022/23 pay remit, Board members sought to understand the rationale for LeO's pay remit submission asking why a higher pay remit submission was not being made. In response, the CO explained that:
 - LeO's 2022/23 pay remit submission was in line with MoJ guidance; the amount being sought was in line with pay awards being offered by other ALBs including the LSB.
 - Whilst the MoJ had indicated an option of flexibility on the 2022/23 pay remit, up to 3%, it appeared clear that approval of higher submissions falling outside of guidance would only be made in exceptional circumstances, and on the basis of clear business need.
 - LeO's approved 2022/23 budget had not accounted for a higher pay award. Any decision to offer a higher inflationary pay award would therefore require a mid-year budget submission to be made to the LSB; as set out in the Tripartite Protocol, this should only be done in exceptional circumstances.
 - The Executive would continue to monitor LeO's pay offer. A pay benchmarking exercise was being undertaken and further consideration would be given in Q2 to whether a mid-year budget submission would be required. The Board would be kept updated on this accordingly.
8. The Chief Ombudsman reported that following a successful localised recruitment campaign, LeO would be making offers for 13 Investigator roles based at the Cardiff Hub. Work was progressing to prepare the Cardiff office, which had been secured on a non-committal basis and was both low risk and low cost.
9. Questions were raised about what leadership presence would be at the Cardiff Hub, and whether there were any plans to evaluate the Hub pilot and capture any lessons learned before the Hub Strategy was rolled out more widely. In response the CO explained that:
 - Operations Managers and Team Leaders from the Birmingham office would attend that Cardiff Hub each week on a rotational basis to provide a visible leadership presence. Members of the Executive Team would also regularly attend the Cardiff Hub.
 - All Cardiff based staff and leaders would be required to work from the hub on one designated day each week to build team ethos.

- Lessons learned from the Cardiff Hub pilot would be captured as part of the Hub programme plan and taken into account before the Hub Strategy was rolled out more widely.
10. Noting that April's performance had been below Business Plan targets, assurance was sought on May's performance and whether it was on track to meet Business Plan forecasts. In response to this, the CO explained that:
- April had been a challenging month, with fewer working days, higher levels of staff leave, and higher than expected attrition. Despite this, performance continued to be ahead of target in terms of reducing the Pre-Assessment Pool.
 - Work was underway to better understand the impact of seasonality on performance and adjustments would be made to Business Plan forecasts accordingly.
 - May's performance continued to be closely monitored and was expected to be in line with Business Plan forecasts.
 - Overall performance at the end of Q1 was expected to be in line with Business Plan targets
11. The Board thanked the CO for the comprehensive Executive report; welcomed the updates on the hub strategy, external stakeholder engagement and quality, and acknowledged the positive feedback that had been provided by external stakeholders on the progress being made.
12. The Board **noted** the Executive report.

Item 3 – Performance, People and Reducing the PAP Backlog

Performance Paper

13. Reporting on April and May's performance, the Chief Operating Officer (COO) drew the Board's attention to the following key points:
- The Executive fully understood the reasons why performance in April had not been in line with the Business Plan assumptions.
 - May's performance was being closely monitored. At the time of the meeting, 600 case closures had been achieved against a target of 788.
 - In March, April and May 2021, 535 monthly case closures had been achieved on average, resulting in a total of 1604 closures. In March, April and May 2022, an average of 772 monthly case closures had been achieved, with a total of 2317 closures; this 44% increase in output had been achieved with 48% fewer established investigators in April.
14. The Board sought assurance that seasonal variation had been accounted for in Business Plan forecasts for 2022/23. In response, the COO advised that there had been insufficient baseline data available to forecast seasonal variation for April's performance, however seasonal variation had been taken into account for the rest of the year and would reflect public and school holidays and periods when LeO expected higher levels of staff leave.
15. The Board welcomed the quarter-on-quarter comparison of performance; the 44% improvement that had been seen in productivity in March and April 2022, and the inclusion of information in the performance paper on drivers to performance.

People Paper

- 16.** A discussion took place about the ongoing challenges and risks associated with attrition in which the Board was keen to understand the mitigating action being taken to ensure that sufficient staffing levels were maintained to deliver the 2022/23 Business plan. In response to this, the Board was advised that:
- The current drivers for attrition included the competitive job market conditions in Birmingham, where local employers were offering more competitive salaries, terms and conditions; LeO's continued focus on addressing and improving operational performance variation, and the under-estimation of the isolation element of full-time home working by some people recruited through the national recruitment campaign.
 - Attrition continued to be a key area of focus for the Executive and its impact was being closely monitored, reviewed and modelled to understand whether the assumptions built into the Business Plan were on track to be achieved and whether any mitigating action, such as additional recruitment campaigns, would be required to ensure adequate levels of resource to deliver the Business Plan.
 - Following the success of the Cardiff recruitment campaign additional investigators had been recruited to address the additional attrition that had been seen.
 - LeO was tackling attrition in a variety of ways, including improvements being made to recruitment and retention as part of the delivery of the People Strategy.
 - Lessons learned from the National Recruitment campaign would be implemented to mitigate the risk of staff attrition at the Cardiff hub and consideration would be given to future recruitment campaigns outside of Birmingham to mitigate the risk associated with the local recruitment market.
 - LeO had joined the Ombudsman Association's HR network; the shared learning and good practice would be beneficial to LeO to help tackle the multi-dimensional problems associated with attrition, retention and recruitment.
- 17.** It was suggested that in addition to a broader recruitment plan to mitigate the risk of attrition, consideration could be given to a short-term tactical plan to deal with any unexpected attrition, this could include the payment of overtime and the payment in lieu of annual leave.
- 18.** In response, the Executive explained that:
- Options for short-term tactical ways of dealing with unexpected attrition were limited; LeO was not permitted to use agency staff to increase case decision-making resource and options to pay overtime would be dependent on available budget.
 - LeO had not considered paying staff in lieu of their annual leave; it would be important to first consider the impact of this on staff well-being before such a policy decision was made.
 - Consideration was being given to medium / longer term tactical plans; this included using Ombudsman resource in more innovative and agile ways to ensure that Ombudsmen focussed exclusively on decision making and increasing the Pool Ombudsman resource.
- 19.** Board members acknowledged that LeO's experience of the issues relating to attrition, retention and recruitment were not unique and that other organisations were experiencing similar issues as people sought to move on to new roles after the pandemic.

20. Board members also acknowledged the hard work and effort being put into stabilising attrition and retention and ensuring that recruitment kept pace with staffing needs and were pleased to see that action plans that were in place to address the associated multi-dimensional issues.
21. It was suggested that, if an opportunity arose, LeO might benefit from the experience and learning of other organisations that were bucking the trend on attrition and managing to retain their staff. The Head of People Services and Strategy confirmed that further consideration would be given to this.
22. Rather than just focussing on recruitment as a solution to attrition, it was suggested that LeO might benefit from pro-actively identifying the pinch points created when a member of staff planned to leave the organisation and the impact it would have on performance. Early mitigating action could then be taken to maintain performance levels.
23. The Head of People Services and Strategy reported that, in line with previous feedback provided the Board, the actions set out in the 2022/23 People Strategy to improve LeO's approach to employee attraction, recruitment and retention had been prioritised and focussed on key areas of risk.
24. It was **agreed** that the further information would be provided to the Board out of committee on the findings of the external pay benchmarking exercise regarding two operational roles that may not align with comparable national and regional salaries.

ACTION: The Head of People Services and Strategy to provide further information to the Board out of committee on the findings of the external pay benchmarking exercise regarding two operational roles that may not align with comparable national and regional salaries.

25. In response to a request from the Board, the CO **agreed** to provide an out of committee update on the progress being made to recruit a new Chief Operating Officer and the plans to mitigate any risks associated with the departure of the current Chief Operating Officer

ACTION: The Chief Ombudsman to provide an out of committee update to the Board on the progress being made to recruit a new Chief Operating Officer and the plans to mitigate any risks associated with the departure of the current Chief Operating Officer

26. The EDI Board Sponsor, Dale Simon, provided an update on the second meeting of the EDI Steering Group. The following key points were made:

- Discussions had taken place on the three-year EDI strategy which was closely aligned to the People Strategy.
- Updates had been provided by each of the staff network groups; this included information on their plans in place to support the People Strategy.
- Network Groups had requested that all senior managers engaged and commented on internal network posts and events.
- EDI data was being collated and would include internal staff data and external customer data. The data would be reviewed by the EDI Steering Group in September and presented to the Board in October.
- Inclusive leadership training had been rolled out to key staff and was being evaluated. Further information on this would be provided to the Board in due course.

- A member of the EDI Steering Group had provided positive feedback on their experience of LeO's recruitment and induction process. It was felt that LeO's improved approach to induction and how staff were being made to feel a sense of belonging would have a positive impact on staff retention.
- The EDI Steering Group would have oversight of the Equality Impact Assessments.

27. The Head of Programme Management and Assurance confirmed that:

- an EDI review of the Cardiff Hub strategy had taken place and Equality Impact Assessments had been undertaken.
- The EDI Manager attended all Hub Project Boards
- Plans were in place to engage with the networks regarding the Cardiff Hub.

Reducing the PAP Backlog

- 28.** The Board welcomed the breadth and scope of the improvements being made to reduce the PAP Backlog; the focus Operations Managers had on securing quality outcomes, and the positive impact of the front-end improvements on increased productivity, performance and quality.
- 29.** Operations Managers welcomed the Board's feedback and reported their strong commitment to improving and maintaining operational quality and improving the service provided to LeO's customers.
- 30.** Recognising that much of the information being reported in the Reducing the PAP Backlog paper now related to work being undertaken as business as usual, it was suggested that the focus of the paper was changed to incorporate information on new or changing initiatives. In response, Operations managers agreed that if a PAP Backlog paper was required the future focus should be on new or planned initiatives and quality.
- 31.** In response to a request for further information on the Autonomy Team pilot the Board was advised that:
- The aim of this pilot was to identify and remove the perceived barriers that contributed to delays in the business process in response to feedback from Investigators.
 - Experienced investigators were given the autonomy, within agreed parameters, to manage their cases in the way they felt was most efficient and because of this, the customer journey time had been reduced by 7 days.
 - The pilot was being closely monitored and a full review was due to take place. A further update on this would be provided to the Board in due course.
- 32.** It was felt that there should be more clarity on the aim of this Autonomy Pilot and whether it was intended to provide greater fluidity and autonomy in the way investigators conducted their investigation, or whether it aimed at identifying process changes that would be introduced across the business process.
- 33.** The Board sought further information on the Early Allocations Team trail and was advised that:

- The aim of this pilot had been to determine whether customer journey times and productivity could be improved if complaints were dealt with at the earliest opportunity after entering the PAP, when the details of the complaints were fresh in the minds of both parties, when evidence may be more readily available and when customers were likely to be more engaged because they hadn't been waiting too long for their investigation to commence.
- Early indications of this trail suggest that there is little improvement in productivity and customers are no more engaged at this stage than those that had waited longer for their investigation to commence. A full review of this trail would be undertaken, but it was likely that this initiative would cease and there would be no changes made to the business process.

ACTION: At the next full Board meeting, the COO or Operations Managers to provide an update to the Board on the work of the autonomy pilot, which is testing whether giving established investigators wider discretion to manage and progress cases, and where they believe they could more efficient and improve overall performance, is better for the individual customers.

34. Following a detailed discussion, the Board **noted** the Performance, People and Reducing the PAP Backlog reports.

Item 4 – Review of Performance Reporting

35. The Business Intelligence Manager reported on the development of a new dynamic digital performance reporting dashboard being built in Power BI, and shared details of the proposed top-level wireframe. The Board's attention was drawn to the following key points:
- Users would be able to drill down to interrogate a range of performance data and other metrics that sat beneath the top-level wireframe dashboard. Data from a range of sources, including CIPHER, Sage and the Case Management System was currently being transferred into a data warehouse to support this.
 - Internal and external access to the data would be limited to the specific needs of the audience.
 - The data used in the final top level wireframe dashboard would be grouped under agreed themes. RAG statuses based on agreed targets and measures would be included to support performance reporting on an exceptions basis.
 - The Agreed Data Set would sit beneath the top-level wireframe. The Agreed Data Set was currently being built in Power BI; a view of this should be available to share with the Board from July onwards.
 - The wireframe would be completed by September.
 - A specialist Power BI Developer was in post to support the development of the new performance reporting structure; other staff within the organisation had the skills to cover this role, providing resilience.
36. Board members discussed the next steps in terms of developing this new reporting structure and felt that it would be helpful to:

- Agree the structure of reporting at a macro level and the information could be drilled down to at a lower level.
- Agree which KPIs would be used for internal and external reporting.
- Agree the KPI RAG ratings in terms of risk appetite and tolerance, performance against targets, and trajectories, to ensure that the Board was alerted to any negative trajectories.
- Clarify the terminology used across all the different performance reports.
- Set out in a visual format the top-level dashboard and how it cascades down into the various lower-level reports, the KPIs and the audiences for each of the reports.
- Provide a demonstration to the Board on how to use Power BI and the new performance dashboards and to clarify whether Power BI licences would be required for all users.
- Engage with the LSB and MoJ regarding the Agreed Data Set to discuss how it could be adjusted to align with the OLC/LeOs plans for reporting on a broader basis.
- Ensure that the OLC/LeO was clear on how it intended to use and exploit the data captured in this new reporting format before making any reporting commitments to external stakeholders.

37. Responding to the points raised, the Business Intelligence Manager confirmed that a demonstration on the functionality of Power BI and an overview of the new performance reporting dashboards would be provided to the Board and that Power BI Licences would be required and made available for all users.

ACTION: The Business Intelligence Manager to provide a demonstration on the functionality of Power BI and an overview the new performance reporting dashboards to the Board.

38. Following discussion, it was **agreed** that the Performance and Quality Task and Finish Group would arrange to meet to consider the structure of the new reporting dashboards, which would then be presented to the Board for approval.

ACTION: The Performance and Quality Task and Finish Group to meet to consider the structure of the new reporting dashboards.

39. In response to a question raised, the Business Intelligence Manager confirmed that the top-level dashboard would reflect the Business Plan targets and reports would be generated on an exception basis to highlight areas of performance that were outside of target or risk tolerance so that mitigating actions could be taken.

40. It was **agreed** that the Business Intelligence Manager would work with the Board Secretary to schedule into the Board forward plan a session at a future meeting for the Board to agree risk tolerances.

ACTION: The Business Intelligence Manager to work with the Board Secretary to schedule into the Board forward plan a session at a future meeting for the Board to agree risk tolerances.

41. Following a detailed discussion, the Board **noted** the update on performance reporting.

Item 5 – Scheme Rules Changes

42. The Deputy Chief Ombudsman (DCO) presented the OLC’s proposed submission to the LSB on the revision of the Scheme Rules. The Board’s attention was drawn to the following key points:
- The Board’s feedback following discussions that had taken place at the extra-ordinary Board meeting on 27 April had been taken into account in the revised Scheme Rules document presented to the Board for approval.
 - The proposed Scheme Rule paper had been drafted with reference to the LSB’s acceptance criteria regarding Ombudsman’s discretion.
 - Indicative criteria for Ombudsman to consider when applying discretion under the revised Scheme Rules had been drafted.
 - The final submission of the revised Scheme Rules to the LSB would include more information on the OLC’s commitment to undertake a review of the impact of the Scheme Rules changes, particularly relating to rule 5.7b, after a reasonable period.
 - The deadline for the submission of the revised Scheme Rules to the LSB is 6 June 2022. A response awaited about whether there was scope to extend the submission deadline.
43. Questions were raised about Scheme Rule 4 and whether the proposed 12-month time limit might disadvantage those customers who had been unable to complain about issues that had arisen during a lengthy retainer instead of waiting until after that retainer had concluded which could be some 12 months or more after their date of awareness.
44. Responding to this, the DCO and CO explained that in such circumstances, an Ombudsman would use their discretionary powers to consider whether it would be fair and reasonable in all the circumstances to accept such complaints.
45. It was suggested that Scheme Rule 4 could be further updated to explicitly state that the Ombudsman would also accept complaints made 12 months from the date a retainer had concluded.
46. Considering this, the Board reflected on the rationale for the proposed 12-month time limit and the implications of any further changes being made to the proposed Scheme Rule 4. The Board also noted that the indicative criteria already included reference to consideration being given to the circumstances where a customer had been unable to complain until the legal retainer had concluded. Following a detailed discussion it was **agreed** that no further changes should be made to Scheme Rule 4 and that the Executive would reflect further on whether the indicative criteria should be updated further to explicitly reflect that consideration would be given to complaints raised 12 months after the date a retainer had concluded in circumstances where a complainant had been unable to raise the complaint earlier.
- 47. ACTION: The Deputy Chief Ombudsman to consider whether the indicative criteria on the application of ombudsman’s discretion should be updated further to explicitly reflect that consideration would be given to complaints raised 12 months after the date a retainer had concluded in circumstances where a complainant had been unable to raise their complaint earlier.**

48. In response to points raised about Scheme Rule 5.19, and recognising the efficiencies that could be achieved if an investigator were able to make decisions on behalf of an Ombudsman, the DCO explained that:

- Future consideration would be given to seeking changes in primary legislation to extend the Ombudsman's decision-making powers to other post holders.
- The proposed Scheme Rule 5.19 would provide greater efficiency within the current business process whilst ensuring that the customer's representations had been properly considered where they had disagreed with an investigator's findings.

49. It was recommended that as part of phase 2 of the Scheme Rules changes, consideration was given to the viability of using different role titles as an alternative to seeking legislative changes to extend the ombudsman's decision-making powers.

ACTION: As part of the phase 2 of the Scheme Rules changes and to prevent the need for legislative changes, the Deputy Chief Ombudsman to consider the viability of using different role titles as an alternative to seeking legislative changes to extend the ombudsman's decision-making powers.

50. One Board member expressed the importance of ensuring that, as a default, the Ombudsman would accept the basis of an investigator's investigation leading to findings. The DCO noted that currently in around 20% of cases the Ombudsman did not agree with the investigator's findings and that work is ongoing to better understand the reasons for this divergence. It was noted however that the proposed change to Rule 5.19 was not intended to address or reduce that divergence and that steps would be taken to ensure that insight into these cases was not lost as a result of the change.

51. Acknowledging that the Board's final decision on the Scheme Rules changes was being made following a lengthy period of fulsome debate and consultation, one Board member commented that despite any personal disappointment they felt at the Scheme Rules changes they would be fully supportive of the final decision that the Board made.

52. Following a detailed discussion, the Board **approved** the Scheme Rules changes, subject to minor drafting changes and the correction of typographical and grammatical errors.

53. The OLC Chair reported that she would collaborate with the Executive to finalise the drafting of the Scheme Rules before submitting the final document to the LSB.

Item 6 - ARAC update

54. The ARAC Chair reported on the ARAC meeting that had taken place on 9 May 2022, drawing the Board's attention to the following key points:

- The quality of papers presented to ARAC had improved and they had been issued on time.
- ARAC had considered a paper on risk assurance, noting that some strategic risks scores had reduced because of the mitigating actions that had been put in place.
- The Committee had also considered risk appetite and tolerances and had made recommendations for further improvement. ARAC also recommended that the Board agreed the final risk appetites and tolerances.

- ARAC had reviewed the risk assurance map, noting that there was a good framework in place; recommendations for further improvement had been made.
- GIAA had submitted a moderate annual Internal Audit opinion. ARAC had congratulated the Executive on the progress that had been.
- ARAC had considered two final Internal Audit reports: The Change and Transformation audit had received a Moderate rating and the Recruitment audit had received a Limited rating. Both ratings were as expected and consistent with issues already identified by the executive team and raised with the Board. GIAA had reported a delay in the final audit report on Payroll.
- Audit actions had been up to date except for the actions reliant on the appointment of a Quality Manager.
- ARAC had received an update on the Annual Report and Accounts; no issues or delays had been reported.
- External Auditors had reported that the Audit of Financial Statements would commence on 9 May and the information presented by LeO in preparation for the audit had been of good quality.

55. The Board **noted** the ARAC update.

Item 7 – Annual Report and Accounts 2021/22

56. The Head of Programme Management and Assurance (HoPM&A) reported on the progress made on preparing the 2021/22 Annual Report and Accounts, advising that the OLC was no longer exempt from reporting on sustainability and work was therefore underway to collate the information required for inclusion in the 2021/22 Annual Report and Accounts.

57. The HoPM&A requested top level feedback on the first draft of the Annual Report and Accounts. In response, Board members made the following comments:

- Overall, the Annual Report and Accounts document was looking in good shape, but was too wordy, technical, detailed and too internally focussed on what the OLC/LeO was doing and the impact this would have on the organisation.
- The report needed to take into account the customer perspective and be written in a way that helped the customers (complainants and legal providers) to understand the impact of what the OLC/LeO had done for them and the difference it had made to them – consider the use of case studies and making reference to the changes that the OLC /LeO had made and their impact on customers.
- Improvements to the style and visual appearance of the document were recommended; the use of more colour and text boxes that would draw the reader's attention to the strategic story and aid navigation, especially regarding the overview and analysis of performance.
- The concept of performance at a glance worked well, but this section was currently too wordy and would benefit from the use of infographics rather than words. It would be important that this section also reflected a balance of organisational performance.

- The CO and Chair's introductions both read well. It was recommended that information on the challenges that may become important during the year ahead, such as recruitment, attrition and pay benchmarking, was highlighted in these sections of the report.

58. In response, the Stakeholder and External Engagement Manager welcomed and **noted** the Board's feedback, including the permission that had been given to edit the document, and reported on the planned formatting and stylistic improvements that would be made before the final version of the Annual Report and Accounts was submitted for the Board for approval at its meeting in June.

59. The Stakeholder and External Engagement Manager and HoPM&A agreed to reflect on the Board's feedback outside of the meeting and consider how best to engage with the Board in terms of seeking further feedback on the developing Annual Report and Accounts document and notify the Board accordingly.

ACTION: Stakeholder and External Engagement Manager and HoPM&A to consider how best to engage with the Board in terms of seeking further feedback on the developing Annual Report and Accounts document and notify the Board accordingly.

60. The Board **noted** the update on progress being made in preparation for the 2021/22 Annual Report and Accounts and that the final approval on the Annual Report and Accounts would be made at the June Board meeting which would be preceded by an ARAC meeting where consideration to the financial aspects of the report would be given.

61. In response to a request from the Board, it was **agreed** that Word versions of lengthy Board papers, such as the Annual Report and Accounts, would be provided to the Board.

ACTION: The Board Secretary to provide Board members with Word versions of lengthy Board papers, such as the Annual Report and Accounts in future.

Item 8 – Finance Report

62. The Head of Finance (HoF) reported on the 2021/22 year-end financial position, drawing the Boards attention to the following key points:

- An underspend of £728k, which was in line with previous updates provided to the Board.
- Non staff costs were £80k below budget because of the historic rent adjustment and a service charge rebate.
- The position regarding case fee debtors was stable and at a low level
- The payment of creditors had significantly improved in 2021/22; further improvements were expected in 2022/23 with the introduction of weekly payment runs.
- To ensure greater consistency with financial reporting to the Board, the CO and Head of Finance had considered the regularity of financial reporting and had proposed that LeO move to quarterly financial reports being provided to the Board in addition to reporting at Board meetings. These would be issued out of committee if the timing of the report was not aligned to the date of a Board meeting. Between reports, the Board would be advised of any unexpected changes in financial position, in the usual way. The OLC Chair and ARAC Chair had agreed with this proposed approach.

- A regular meeting schedule was in place with budget holders and other key staff to ensure the close monitoring of departmental budgets and the HoF would continue to report on the financial position to the wider Executive each month.
63. The ARAC Chair reported that changes would be made to the frequency of financial reporting if the proposed quarterly financial reporting schedule failed to keep the Board fully apprised of the financial position.
64. In discussion, it was felt that quarterly financial reporting would provide the Board with a better opportunity to consider the action required to recover a position that had gone awry.
65. Considering the underspend in capital expenditure in 2021/22, the ARAC Chair requested that a report was produced setting out how the 2022/23 capital would be spent and the expected timing of this expenditure.
- ACTION: The Head of Finance to issue a report to the Board setting out how the 2022/23 capital would be spent and the expected timing of this expenditure.**
66. In response to question raised, the Head of Finance confirmed that he was working closely with the Business Intelligence Manager on the development of dashboard performance reporting. A test of the trail balance, which had been manually transferred into the data warehouse, had been undertaken; plans were in place for this information to be pulled directly from Sage in the future.
67. Board **noted** the Finance Report.

Item 9 – Board Effectiveness review

68. Reflecting on the OLC Chair's Board paper on Board effectiveness, and recognising that the OLC was part way through a wider effectiveness review, Board members made the followings key points:
- The Board had continued to work effectively and seamlessly despite changes in Board membership over the past year.
 - Board members had appreciated the opportunity to meet socially to get to know each other better.
 - The emphasis on customer experience at Board meetings had been appreciated.
 - Feedback from ARAC members on the Committee's effectiveness had been positive; there was recognition that the Executive and Committee members had each played a part in the Committee's improvement trajectory, recognising that further improvements were required.
69. The OLC Chair reported that feedback on RemCo effectiveness was awaited.
70. Further consideration would be given to whether budget would be available for an independent external review of Board effectiveness in line with best practice.
71. The Board **noted** the update on Board effectiveness.

Item 10 – Budget and Business Plan: Lessons Learned

72. Reporting on the lessons learned from the 2022/23 Budget and Business Plan process, the Head of Head of Programme Management and Assurance (HoPM&A) made the following key points:
- The 2022/23 Budget and Business Plan process had been a significant amount of work, with 31 milestones completed.
 - The Board’s attention was drawn to the progress made against the lessons learned from the 2021/22 Budget and Business planning cycle, highlighted in appendix B of the Board report.
 - There had been good levels of engagement with the Board on the 2022/23 Budget and Business plan process and the iterative approach and reviews by the OLC Chair had particularly worked well. A similar approach would be taken for 2023/23 and engagement with the Performance and Quality Task and Finish Group would be factored into the planning cycle.
 - The HoPM&A would be engaging regularly with the LSB to plan for the 2023/24 Budget and Business Plan cycle.
 - Feedback on the 2022/23 Budget Acceptance Criteria (BAC) had been provided to the LSB and suggestions had been made for improvements to the BAC with a view to reducing the amount of repetition required by the OLC / LeO in response to the criteria and the inclusion of a new criterion to measure progress against the Business Plan.
 - The LSB had reported that the 2022/23 Budget and Business Plan process had run smoother than previous years and the quality of supporting papers had improved. Suggestions had been made to improve Board to Board communications and this would be factored into the 2023/24 Budget and Business Plan process.
 - An Internal Audit on 2022/23 Budget and Business Plan cycle was underway in line with his budget setting assurance criteria and the findings would be shared with ARAC and the Board in due course.
 - The Board’s views were sought on whether a mid-year review (MYR) of the 2022/23 Budget and Business Plan should be incorporated within the process. A number of challenges with the previous year’s approach had been identified through lessons learned, and it had taken up a significant amount of resource and time in the 2021/22 MYR. It was suggested that the 2022/23 MYR could be streamlined and incorporated within regular reporting on performance and progress against business plan forecasts and deliverables.
73. The OLC Chair reported that of the mid-year review was referred to within the LSB’s approval of the 2022/23 budget. The format of this review was not specified and so consideration could be given to adopting a different approach in 2022/23 to that followed in 2021/22.
74. In discussion, Board members welcomed a simplified approach to the 2022/23 MYR recommending that reporting should be aligned to the BAU performance reporting and include a forward look.
75. The Board welcomed the lessons learned on the 2022/23 Budget and Business Plan process and the proposed rationalisation of the BAC, **noting** that a top-level plan of the

2023/23 Budget and Business planning process would be presented at June's ARAC and Board meetings.

76. The Board noted the lessons learned from the 2022/23 Budget and Business Planning process.

Item 11 – Independent Service Complaint Adjudicator's Annual Report

77. The Independent Service Complaint Adjudicator (ISCA) presented the Annual Service Complaint report for 2021/22, drawing the following points to the Board's attention:

- The work undertaken by the Service Complaints team to identify poor service and how their transparent approach with customers had resulted in fewer complaints being progressed to stage 3 of the service complaint process.
- Most service complaints escalated to stage 3 related to dissatisfaction with the outcome of the investigation rather than true service issues.
- Communication was one of the main reasons for a stage 3 service complaint.

78. The Board discussed ways in which LeO might speed up the service complaint process for customers. The ISCA shared their experience of other organisations' service complaint processes and suggested that LeO might wish to consider reducing the number of stages in its service complaint process by incorporating an internal quality review of the stage 1 service complaint findings; this would negate the need for the current stage 2 review and any further escalation of the service complaint would then be progressed to the final stage of review by the ISCA.

79. A discussion took place about service complaints that were escalated to the ICOSA at the request of a complainant even though they fell outside of the ICOSA's remit. The ICOSA suggested that LeO might wish to consider making provision for a vexatious service complaints policy to deal with some such requests.

80. The DCO confirmed that a comprehensive review of the service complaint process had been planned for 2022/23. This review would take into consideration ways to speed up the process, deal with vexatious customers and other issues that might make the service complaint process more efficient and ensure that complainants were signposted to the most appropriate form of redress. The CO welcomed the ICOSA report and the positive reflections on LeO's handling of service complaints. He agreed with the ICOSA recommendations on streamlining the process, which would be in line with best practice and far more customer focused, and the recommendation to more clearly distinguish between service and decision-related issues was a helpful observation which LeO would reflect on.

81. The Board **noted** the Independent Service Complaint Adjudicator's Annual Report.

82. The Board thanked the ISCA for their report and the work undertaken over the course of the year and had been pleased by the quality of service LeO provided to customers.

Item 12 – Previous Minutes

83. The minutes of the OLC Board meeting held on 31 March 2022 were **approved** for accuracy and **approved** for publication, subject to a minor amendment in the table of attendees.

84. The minutes of the OLC Board meeting held on 27 April 2022 were **approved** for accuracy, subject to a minor amendment to the timeframes specified for a complaint to be submitted to the Legal Ombudsman after a service provider's final response in paragraph 34. These minutes are FoI exempt (S. 36 (2) (b)) and will not be published.
85. ARAC meeting held on 7 March 2022 were **approved** for publication.

ACTION: Board Secretary to:

- **Amend and publish the minutes of the OLC Board meeting held on 31 March 2022.**
- **To amend the minutes of the Board meeting held on 27 April 2022.**
- **Publish the minutes of the ARAC meeting held on 7 March 2022.**

Item 13 –Actions from previous meetings

86. Action 2 Paragraph 47 from the April 2022 Board meeting: The DCO reported that further thought was being given to providing some context behind the examples of the Ombudsman decisions that would be shared with the Board. This action is to remain ongoing.
87. Action 2, Paragraph 5 from the March 2022 Board meeting: Due to an external technical issue with the LeO website, the minutes of the OLC Board meeting held on 26 January 2022 and the ARAC meeting held on 10 January 2022 had not been published. A further update on this would be provided at the June Board meeting, until then this action would remain ongoing.
88. Action 4, Paragraph 17 from the March 2022 Board meeting: The DCO reported that an interim Quality Manager had been appointed on an internal secondment basis. Once in post, the interim Quality Manager would be considering the approach to reviewing the Quality Assurance Framework and an update on this would be provided at the June Board meeting. Until then this action would remain ongoing.
89. Action 5, Paragraph 24 from the March 2022 Board meeting: Recognising that financial updates would be provided on a quarterly basis and that the Board's attention would be drawn to any unexpected changes in financial position in between reporting periods, it was **agreed** that this action would be closed.

ACTION: The Board Secretary to close action 5, Paragraph 24 from the March 2022 Board meeting

90. Action 8, Paragraph 48 from the March 2022 Board meeting: In response to concerns raised by the Board, it was **agreed** that this action would remain open whilst further consideration was given to the most appropriate way of keeping the Board fully sighted on the prioritisation of the People Strategy actions and how this relates to information that would be presented to RemCo.

ACTION: The Board Secretary to keep action 8, Paragraph 48 from the March 2022 Board meeting open.

ACTION: The HoPS&S and Chair of RemCo to give further consideration to the most appropriate way of keeping the Board fully sighted on the prioritisation of the People strategy actions and how this relates to the information that would be presented to RemCo.

91. Action 14, Paragraph 91 from the March 2022 Board meeting: Due to an external technical issue relating to the LeO website, the Q4 and the updated Q3 Transparency reports had not been published. A further update on this would be provided at the June Board meeting, until then this action would remain ongoing.
92. Action 15, Paragraph 96 from the March 2022 Board meeting: Due to an external technical issue relating to the LeO website, the March Board papers had not been published. A further update on this would be provided at the June Board meeting, until then this action would remain ongoing.
93. Action 16, Paragraph 97 from the March 2022 Board meeting: The CO advised that an update on LeO's involvement with Stonewall was being drafted for circulation to the Board. Until then, this action would remain ongoing.
94. Action 12, Paragraph 74 from the January 2022 Board meeting: The Board **agreed** that this action should be closed now that EDI recruitment data was to be included in standard People reporting to the Board.
- ACTION: The Board Secretary to close action 12, Paragraph 74 from the January 2022 Board meeting.**
95. Action 2, Paragraph 69 from the December 2021 Board meeting: The Board **agreed** that this action should be closed now that EDI was now incorporated more widely into Board agendas and discussions.
- ACTION: The Board Secretary to close action 2, Paragraph 69 from the December 2021 Board meeting.**
96. Action 14, Paragraph 80 from the December 2021 Board meeting: The Executive confirmed that, as part of a wider review of the Service Complaint policy, more clarity was to be provided to customers on what the Service Complaint process could and could not do. The Board **agreed** that this action should be closed.
- ACTION: The Board Secretary to close action 14, Paragraph 80 from the December 2021 Board meeting.**
97. Board **noted** the update on previous actions.

Item 14 - Board Paper Redactions and Non-Disclosure report

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

ACTION: Board Secretary to publish the May Board papers in line with the Board's approval of the redactions and items for non-disclosure.

Item 15 – Board Effectiveness

100. In line with the Board's commitment to improving Board effectiveness, Hari Punchihewa reflected on the meeting and made the following key points:
- All Board papers had been of a good standard. It had been especially helpful that information on the drivers to performance had been included in the Performance paper.

- All Board sessions had been of an equally good standard; highlighting the improvement that had been made by the OLC and LeO and the Board's effectiveness.
- Consideration could be given to separating decision making items and items for approval on future Board agendas.

ACTION: The OLC Chair and Board Secretary to consider separating decision making items and items for approval on future Board agendas.

- Subject to affordability, consideration could be given to procuring a Board tool to assist Board members with accessing and navigating Board papers.

ACTION: The Executive to consider the affordability of a Board tool to assist Board members with accessing and navigating Board papers.

- It was recommended that consideration be given to capturing information on LeO's improvement journey, including the key changes that had been introduced by the Executive, future planned improvements and the impact and effectiveness of the Executive and Non-Executive relationship. The OLC Chair agreed to draft this information.

ACTION: The OLC Chair to consider drafting a document that captures LeO's improvement journey, including the key changes that had been introduced by the Executive, future planned improvements and the impact and effectiveness of the Executive and Non-Executive relationship.

Item 16 – Any other business

- 101.** There was no other business.