

**Minutes of the eighteenth meeting of the
Office for Legal Complaints (OLC)**

**Incorporating the minutes of the first joint meeting of the Legal Services Board
(LSB) and the Office for Legal Complaints (OLC)**

Monday 13th December 2010

11.00am – 3.15pm

Baskerville House, Centenary Square, Broad St, Birmingham B1 2ND

Present:

Elizabeth France, Chair
Margaret Doyle, member
Tony Foster, member
Brian Woods-Scawen, member
David Thomas, member

In attendance:

Adam Sampson, Chief Ombudsman
Liz Shepherd, Operations Director
Rob Hezel, Director of Finance and Business Services

Apologies:

Professor Mary Seneviratne, member
Rosemary Carter, member
Gary Garland, Deputy Chief Ombudsman
Alison Robinson, Head of External Affairs

Board Secretary:

Andy Taylor

Preliminary issues:

The quorum requirements for the Board meeting were met.

Item 1 – Welcome and apologies

1. The Chair welcomed those in attendance.

2. Apologies were received as noted above.
3. There were no declarations of conflict or interest.

Item 2 – Minutes of previous meeting

4. The minutes of the meeting of 15 November 2010 were approved for publication.

Item 3 – Matters arising & action points

5. Members noted those items where action had been completed and that others were included as agenda items.
6. The Director of Finance and Business Services advised Members that the MoJ Framework agreement had been redrafted. Further minor amendments were suggested and Members requested that a discussion regarding the framework agreement takes place at the January OLC meeting.

ACTIONS

- MoJ Framework document to be included on the agenda for the January OLC meeting.

Item 4 – Items presented for information.

7. Members noted the items presented for information, including the minutes from the RemCo meeting held on 14 October 2010.
8. In addition to the monthly report, the Chief Ombudsman gave members an oral management update on the following;
 - Staffing: following the latest recruitment campaign, the organisation was short of 16 investigators. Additional staff training was being planned in respect of the written quality of case decisions.
 - IT: although the IT infrastructure continued to work well and was proving to be resilient, concerns regarding the architectural design of the telephony had arisen and were presently being investigated by the supplier.

Item 5 – Oral report from committees.

9. The Chair of the Audit and Risk Committee confirmed that the next meeting of the committee was scheduled for January 2011.
10. Members were advised there had been no meetings of RemCo since the last OLC meeting.

Item 6 – KPI dashboard

11. Members received the first KPI dashboard outlining Assessment Centre call and case activity, Resolution Centre work in progress and budgetary performance indicators following go live. Members made clear that they wanted to see a measure reflecting 'unit cost' not ;average cost per . They requested that rolling averages, forecasting and productivity data should be included future dashboards, along with data relating to judicial reviews and service complaints. The Executive advised that EMT will discuss internal measures at a future meeting and will then update Members .

ACTIONS

- The Executive to update members once EMT has finalised details of internal measures to be incorporated into the KPI dashboard.
- The OLC Secretary to incorporate a more in-depth view of the KPI dashboard into the annual OLC agenda cycle

Item 7 – Operational review.

Summary of the tabled paper

The paper outlines the proposed methodology for undertaking a full operational review in February 2011, including matters relating to efficiency and control, internal process, stakeholder value and organisational learning. The paper details a number of internal feedback processes already in place within the organisation and this will also be incorporated into the review process.

12. Members acknowledged the paper and requested that the final document is presented at the March OLC meeting.

ACTIONS

- The Chief Ombudsman to present the final operational review to the OLC in March 2011.

Item 8 – Annual budget 2011/12

Summary of the tabled paper

The paper provides details of the proposed budget setting timetable for the 2011/12 financial period and beyond and includes the expectations of appropriate external stakeholders, for example MoJ and LSB, with regard to the process.

13. Members noted the report and asked for additional time to be included within the timetable to allow for Minister's comment to be included. Additionally the timetable should take into consideration the published dates for future LSB Board meetings.

ACTIONS

- The Director of Finance and Business Services to incorporate the timetabling amendments into the paper.

Item 9 –Any other business

14. The next OLC meeting will be held on 17 January 2011 commencing at 11.00am at Baskerville House in Birmingham.

Andy Taylor
Board Secretary
21 December 2010

Joint minutes of the first meeting of the Legal Services Board (LSB) and the Office for Legal Complaints (OLC) held on 13 December 2010.

Date: 13 December 2010

Time: 1.30 – 3.30 pm

Venue: Baskerville House, Centenary Square, Broad Street, Birmingham B1 2ND

Present:
(Members)

Elizabeth France	Chair, OLC
Steve Green	Acting Chairman, LSB
Terry Connor	LSB
Margaret Doyle	OLC
Tony Foster	OLC
Chris Kenny	Chief Executive, LSB
Bill Moyes	LSB
Nicole Smith	LSB
David Thomas	OLC
Andrew Whittaker	LSB
David Wolfe	LSB
Brian Woods-Scawen	OLC

In attendance:

Robert Hezel	Director of Finance and Business Services, Legal Ombudsman (LeO)
Julie Myers	Corporate Director, LSB
Adam Sampson	Chief Executive / Chief Ombudsman, LeO
Liz Shepherd	Director of Operations, LeO
Bryan Hislop	Board Secretary, LSB (Minutes)
Andy Taylor	Board Secretary / Head of Compliance, LeO (Minutes)

Item 1 – Welcome and apologies

1. Elizabeth France (OLC Chair) welcomed those present and in attendance to the first joint session of the LSB and OLC Boards.
2. There were apologies for absence from: David Edmonds (LSB Chairman) and Barbara Saunders (LSB Member); and Rosemary Carter and Mary Seneviratne (OLC Members).

Item 2 – Review of the first two months of the operation of LeO

3. Adam Sampson (LeO Chief Executive) delivered a presentation about LeO

4. activity since its launch on 6 October (see **Annex A**), the quality and depth of which was appreciated by LSB Members.

It was noted that:

- very early indicators suggested that planning assumptions in respect of the volume and nature of complaints had proved in the short-term to be accurate, but that reliable performance data would not be available until 2011/12;
 - the mainstream, rather than trade, media had proved to be the most effective medium for promoting awareness of LeO amongst lawyers;
 - premature complaints were forwarded pro-actively by LeO to the relevant Authorised Person;
 - subject to capacity, relevant complaints data would be collected by LeO to help policy development by LSB and the Approved Regulators; and
 - emerging themes from the processing of complaints included determining: whether complaints were within jurisdiction; whether an activity was 'reserved' in accordance with Legal Services Act 2007; and the time limits for processing 'historic' complaints.
5. The LeO Chief Executive tabled a paper about LeO's performance measures in respect of quality (see **Annex B**), which LSB had asked at its meeting on 30 September to be reported as a de-compounded measure (alongside cost, satisfaction and timeliness). LeO proposed, therefore, to use measures of accuracy, communication and responsiveness, which would be developed further and presented for agreement and endorsement respectively to OLC and LSB. LSB Members agreed to comment separately on the paper.
6. It was noted that OLC had a dual role in respect of the management of LeO, in particular protecting the independence of the ombudsman scheme and ensuring its effective and efficient performance against agreed milestones. An outline of the key performance indicators (KPI) reported regularly by LeO to OLC was being developed and would be provided for information to LSB.

Action

- (01) – LSB Members to comment separately on the paper about LeO's performance measures in respect of quality.
- (02) – To present the de-compounded measures of quality for endorsement to LSB.
- (03) – To provide an outline of the KPIs reported regularly by LeO to OLC for information to LSB.

Item 3 – LSB and OLC core priorities for 2011

7. Chris Kenny (LSB Chief Executive) delivered a presentation about LSB's Business Plan 2011/12 (see **Annex C**).
8. The LeO Chief Executive reported on LeO's core priorities for 2011/12, which included (in addition to day-to-day case management): refining business operations; undertaking and closing the functions of Office of the Legal Services Ombudsman; preparing for the implementation of alternative business structures; and establishing flexible working practices.
9. It was noted that:
 - OLC performance was listed in LSB's Corporate Risk Register, recognising LSB's statutory functions in respect of OLC and crucially the importance of LSB-OLC collaboration in the sharing of information for broader regulatory, as well as statutory governance, purposes;
 - LSB's role was not to 'double manage' LeO, but to ensure the robust management of LeO by OLC; and
 - LSB was accountable for the performance of OLC (and, hence indirectly, LeO) and it was agreed to convene as required informal sub-groups of LSB and OLC to consider matters of mutual interest (including risks and mitigations).

Action

(04) – To convene as required informal sub-groups of LSB and OLC to consider matters of mutual interest (including risks and mitigations).

Item 4 – LSB and OLC relationship

10. Steve Green (Acting Chairman, LSB) congratulated OLC on its achievements to date, in particular delivering a new ombudsman scheme to budget and to time. The move from set up phase to the early days of operation provided an opportune time to review the organisations' relationship, to ensure for example that at both Board and Executive-level the core principles set out in the LSB-OLC memorandum of understanding (MoU) were being embedded and applied.
11. The OLC Chair commented that the formalities of the LSB / OLC / LeO / MoJ relationship led to occasional uncertainties about business processes, but that this had not resulted in any issues of concern to OLC; moreover, no such

12.

issues had been communicated to the OLC Chair in her regular meetings with the LSB Chairman and the LSB Chief Executive. Although the process of establishing LeO had distracted OLC from securing an LSB-OLC pre-consultation discussion about the OLC budget (as required by the MoU), this would not be repeated in future business planning and reporting cycles.

There followed a discussion about OLC's budget for 2011/12, which focused in particular on a letter from the LSB Chairman to the OLC Chair about the review and approval process (dated 9 December). It was noted that:

- OLC would consider the responses to the consultation on its draft business plan and budget at its meeting on 21 February 2011, prior to submitting the budget for the formal approval of LSB;
- the OLC budget would be reviewed by LSB and a decision communicated to OLC not later than ten working days after the submission of the budget;
- the letter set out the information to be included with the submission, including it was proposed the volume of complaints predicted for the year alongside a 25 percent sensitivity analysis to account for a fluctuation in the volume of complaints; and
- OLC considered that a sensitivity analysis based on only a few months operational data would be unreliable, and it was agreed that the budget submission would instead set out LeO's assumptions when preparing the budget and the extent to which they were amended (if at all) post-consultation, together with an agreement to maintain an open relationship with LSB in the event of a fluctuation in the volume of complaints materialising; and that the sensitivity analysis commissioned by OLC in advance of its meeting on 21 February 2011 would be shared with LSB so that any significant issues could be highlighted at the earliest possible stage.

13. The letter included for agreement a 'governance calendar' setting out LSB's expectations in respect of what and when information would be shared by OLC. The OLC Chair set out some detailed comments about the letter and it was noted that:

- the proposed deadlines for submitting quarterly LeO performance data to LSB was consistent with its Board paper review and narrative reporting process;
- the Executives would liaise outside of the meeting to review the submission date for the OLC Annual Report and Accounts, and the

implications in respect of 2010/11 of the Government's 'Clear Line of Sight' project;

- the LSB-OLC MoU was designed in part to promote LSB-LeO Executive-level discussions, but that these should not frustrate OLC's role in respect of LeO. It was agreed, therefore, to convene an informal sub-group of LSB and OLC Board and Executive members to develop protocols for promoting openness and transparency in business operations and information sharing between LSB and LeO; and
- there was a mutual interest in the respective success of LSB and OLC.

14. The first joint session of LSB and OLC was brought to a close.

Action

(05) – To include with the OLC budget submission LeO's assumptions when preparing the budget and the extent to which they were amended (if at all) post-consultation, together with an agreement to maintain an open relationship with LSB in the event of a fluctuation in the volume of complaints materialising.

(06) – To provide the sensitivity analysis commissioned by OLC in advance of its meeting on 21 February 2011 for information to LSB.

(07) – To convene an informal sub-group of LSB and OLC Board and Executive members to develop protocols for promoting openness and transparency in business operations and information sharing between LSB and LeO.

(08) – To revise the 'governance calendar' in the light of the Boards' discussion.