

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

Wednesday 9 March 2016

09:30– 14:30 am

Legal Ombudsman, Birmingham

Present:

Steve Green, Chair
Caroline Coates, member
Bernard Herdan, member
Philip Plowden, member (via Skype) (*items 1-9 only*)
Tony King, member
Jane McCall, member (*items 1-9 only*)

In attendance:

Catherine Lee, OLC Accounting Officer
Nick Hawkins, Chief Executive
Kathryn Stone, Chief Ombudsman
Emma Cartwright, Acting Head of Finance (*items 1-8 only*)
Kathrine Sherrington, Head of Service (*items 1-5 only*)
Simon Tunnicliffe, Head of CMC (*item 1-5 only*)
Andrew Gale, Head of Operational Insight and Engagement (*items 1-5 only*)
Nikki Greenway, Head of IT (*item 6 only*)
Nicola Sinclair, Policy and Research Manager (*item 11 only*)

Apologies:

Michael Kaltz, member

Observing (for all items except Items 9):

Christine Hutchinson, Staff Observer
Kay Kershaw, Staff Observer

Board Secretary:

Helen White

Preliminary issues:

The Board meeting was quorate.

Item 1 – Welcome and apologies

1. The Chair welcomed Catherine Lee, the OLC Accounting Officer, and the two staff observers, Christine Hutchinson and Kay Kershaw, to the meeting. He

noted the apologies from Michael Kaltz. The Chair also noted that Philip Plowden was attending via Skype call.

2. The Chair reported that a formal decision was required on the six month staff representatives' pilot. He noted that the pilot had worked well and feedback from staff observers was that the preferred number of representatives at each meeting was two, rather than one. It was noted that a decision would be made on the continuation of the pilot at the April OLC Board meeting.

ACTION:

- **The Board Secretary to note that the staff representatives' pilot would be formalised at the April Board Meeting.**
3. The Chair noted the standing declaration of interest from Prof Plowden regarding his university's research engagement with Lockheed Martin, who were working with the OLC on the case management system.

Item 2 - Minutes of the previous meeting

4. The minutes of the meeting held on 26 January 2016 were approved.

Item 3 - Matters arising and outstanding action points

5. Members noted those items where actions had been completed and those that were included as agenda items. Prof Plowden noted that there were a large number of outstanding actions listed. It was agreed the OLC Chair, CEO and Board Secretary would meet to review the list before the April OLC Board.

ACTION:

- **The Chair, CEO and Board Secretary to meet to review the list of outstanding actions before the April OLC Board.**

Item 4 - Comments received regarding items presented for information

6. The items presented for information were noted. The Chair reported that Michael Kaltz had submitted a number of comments which would be addressed at the appropriate points in the meeting.

Chief Executive's Report

7. The Chief Executive updated members on the actions from the review of financial controls and systems. It was noted that a key recommendation was for the MoJ, LSB and OLC to develop a tripartite agreement setting out the respective roles and responsibilities together with the joint working practices.

The Chief Executive was working with the MoJ sponsor team and LSB to finalise this document.

8. Discussion took place on the action plan arising from the review of financial controls and governance. It was noted that the action plan had been shared with the Permanent Secretary. Catherine Lee reported that a response from the Permanent Secretary would shortly be received. In summary, she reported that the MoJ would be seeking further assurance on deliverables and milestones in the review of financial controls and systems action plan. It was noted that the MoJ sponsor team were shortly due to submit their completed actions.
9. It was agreed that the Chief Executive would update the action plan and circulate it for comment to the delegated subgroup comprising the OLC Chair and Chairs of ARAC and RemCo by the end of March.

ACTION:

- **The Chief Executive to circulate the updated action plan to the delegated OLC subgroup by the end of March.**

10. The Chief Executive updated members on the regularisation of staff benefits. He reported that briefing sessions had been held with line managers and Staff Council in advance of the general staff briefings. The HR team were working with staff who were on maternity leave and long term sick to ensure they were fully briefed. Members noted that the deadline for staff responses was 12 noon on 14 March.
11. Catherine Lee reported that the progress made to date was a real tribute to the staff engagement. The Chair requested that the Chief Executive pass on the Board's thanks to the Staff Council for their hard work and support in resolving this difficult matter. Jane McCall reported that this progress reflected real efforts and impact from the senior leadership team. Board members requested that the Chief Executive pass on their thanks to the Head of HR and his team.

ACTION:

- **The Chief Executive to pass on the Board's thanks and appreciation for their hard work and support in resolving the regularisation of staff benefits.**
- **The Chief Executive to pass on the Board's thanks and appreciation to the Head of HR and his team.**

12. Members noted that the recruitment campaign for front-line staff was nearly complete. The aim would be for new starters to join 11 April with the induction programme being delivered internally.
13. Members noted that the Chief Executive was working with the General Counsel on the format for the presentation of her quarterly update. The aim was to provide a table to give an overview of cases, lessons learned and

actions taken. Caroline Coates stated that she would welcome this information in order to understand the position on Judicial Reviews.

Chief Ombudsman's Report

14. Kathryn Stone reported that she believed it was important that members of the senior management team were given exposure to the Board in order to provide visibility and accountability. With this aim, Kathrine Sherrington, Simon Tunncliffe and Andrew Gale were attending the Board meeting to present updates on their areas.
15. Kathryn Stone reported that since writing her report, the announcement had been made about the date for the EU referendum. She noted that this could impact on the Board's decision on EU ADR. This would be discussed further at the June OLC Board.
16. Discussion took place on the work undertaken on the organisation's values and principles. Kathryn Stone stated that she believed the emotional impact on service providers could be as great as that on consumers and that it was important that the service standards and principles reflected this.
17. Discussion took place on the proposal to remove 'Shrewd' as an organisational value. Members noted that the organisation who undertook the research on understanding customer needs had run staff workshops and focus groups to ensure staff were fully engaged on the refinement of the service principles.
18. Members noted that the new email customer satisfaction surveys would be introduced in April to complement the external quarterly surveys. It was noted that the aim would be to provide both monthly and quarterly updates. The Chair stated that it was important for the Board to see any emerging trends from this data at its meeting in June.

ACTION:

- **The Head of Operational Insight and Engagement to provide feedback on the customer satisfaction surveys at the June OLC Board.**
19. Members congratulated the team on the conveyancing update which was informative for consumers and had been well received.
 20. Discussion took place on performance in the legal jurisdiction. Members noted that both the ombudsman work in progress and unallocated case numbers had reduced. Kathrine Sherrington reported that the number of active investigators were down by 20. It was hoped the current recruitment campaign would bring the staffing numbers back up to plan.
 21. Discussion took place on the impact of delays on cases. Members noted that there were often delays which were outside the organisation's control. It was

noted that quarterly performance would be tabled at the April OLC Board meeting. Members requested that as part of this discussion, the executive provide an update on how frequently Chapter 5 powers are used.

ACTION:

- **The Chief Ombudsman to include an update on how frequently Chapter 5 powers are used as part of the April performance update.**

22. Kathryn Stone assured Members that the decline in timeliness in both jurisdictions would be addressed by both the recruitment of additional staff and the improvements that enhanced technology would bring.

Finance Report

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

Board Member Expenses

24. Members approved the Board Member expenses with minor amendments. It was noted that the updated document would be published on the LeO website as part of the LeO publication scheme.

- **The Board Secretary to publish the updated Board Member expenses on the LeO website.**

Item 5 – RemCo Update

25. Members noted the draft RemCo minutes from the meeting held on 3 February 2016 which were circulated as part of the Board pack.

26. The RemCo Chair reported that a large proportion of RemCo's committee time had been spent on the regularisation of the staff benefits and the development of a new scheme.

27. The RemCo Chair noted that the Board had requested that RemCo keep a watching brief on the long term sickness levels.

ACTION:

- **The Board Secretary to note on the RemCo Forward Plan that the OLC Board had requested that RemCo keep a watching brief on the long term sickness levels.**

Item 6 – IT Update

28. Members welcomed Nikki Greenway to the meeting and thanked her for a well worked Board paper. She reported that since writing the paper, there had been no further PI incidents.

29. Members noted that contract negotiations continued with the incoming IT service provider. Service level agreements had been introduced and a service credit regime had been agreed for failed P1 and P2 incidents.
30. The Chief Executive reported that he and the Head of IT had undertaken a due diligence trip to the service provider's Midland offices. The Head of IT was also scheduled to visit their operational premises.
31. [REDACTED] [FOIA exempt s43(2)]
32. Discussion took place on the introduction of a portal which would provide a more efficient way of dealing with consumers.
33. Jane McCall stated that it was important that the Board understand the role technology could play in supporting the organisation's four strategic drivers. It was agreed that the Head of IT would present an update on this and an introduction to the new supplier at the June OLC Board.

ACTION:

- **The Head of IT to present an IT update at the June OLC Board.**
- **The Head of IT to invite the new supplier to present to the June OLC Board.**

Item 7 – 2016/17 Annual Budget

34. The OLC Chair stated that the LSB Chair had written to him outlining the criteria the LSB Board would like the OLC to address in the draft budget submission. A response had been drafted by the OLC Chair to assure the LSB that their criteria had been addressed.
35. Discussion took place on the case projection numbers in the draft budget. Members agreed the importance of understanding the dynamic of changes in the marketplace and how this in turn affected case numbers. However, whilst this remained a priority, the executive had not been able to undertake research in this area due to the MoJ spending restrictions.
36. It was agreed that the Acting Head of Finance would circulate a summary document outlining the assumptions made on volumes and efficiency.

ACTION:

- **The Acting Head of Finance to circulate a summary outlining the assumptions made on volumes and efficiency.**
37. Discussion took place on the potential for a review of case fees and how this could potentially impact the draft budget.

38. Members approved the draft budget, subject to minor amendments, and noted that the OLC Chair and Chief Ombudsman would be presented this to the LSB Board on 23 March. Members noted the work undertaken by Emma Cartwright to meet the tight timescales set by the LSB.

ACTION:

- **The Acting Head of Finance to revise the draft budget for submission to the LSB.**

Item 8 – Draft Strategy and Business Plan

39. Members noted that the organisation was required to consult annually on its strategy. Once Board approval was obtained, the strategy would go out for a three week consultation.

40. Members requested that the executive incorporate processes for embedding best practice across the two jurisdictions. Also more explicit reference about the recognition of the public sector environment in which the organisation operates.

41. Members noted that an external stakeholder event had not been planned for the current strategy but agreed the importance of holding an event for next year's strategy.

ACTION:

- **The Head of Operational Insight and Engagement to plan for an external stakeholder event for the 2017 strategy. Proposals would be brought to the OLC Board in autumn 2016.**

42. It was agreed that Andrew Gale would revise the strategy based on the feedback received. Members agreed that in order to meet the timescales for consultation, that final approval of the revised document would be delegated to the OLC Chair and Chief Executive.

ACTION:

- **The Head of Operational Insight and Engagement to revise the strategy in line with the Board feedback.**
- **The OLC Chair and Chief Executive to approve the revised document.**

43. Discussion took place on the draft business plan. It was agreed that this would be reviewed once the strategy consultation was complete and the draft budget reviewed by the LSB.

44. It was agreed that the business plan would be revised to enable the Board to assess progress against key milestones and milestone targets. The Head of

Operational Insight and Engagement would revise the document and present it to the April OLC Board.

ACTION:

- **The Head of Operational Insight and Engagement to present the revised Business Plan to the April OLC Board.**

Item 9 – Review of Establishment

45. Members noted that RemCo had asked the Chief Executive to undertake a piece of work on resource planning. This request coincided with a similar request from the MoJ who were planning for the comprehensive spending review. The Chief Executive reported that this approach was being undertaken across the MoJ and all its Arm's Length Bodies.

46. Members approved the Chief Executive to continue to develop the proposal.

Item 10 – Quarterly Review of Strategic Priorities

47. Members noted that every quarter there would be a report tabled to the OLC Board to highlight progress against the strategic plan. This report would be based on the business plan and would include key milestones. This report would follow the same quarterly schedule as the performance update.

48. It was agreed that the Head of Operational Insight and Engagement would prepare an update for the April OLC Board to outline the actions and key milestones for organisational progress against Strategic Goal 4 'Disseminate what we have learned more widely'.

ACTION:

- **The Head of Operational Insight and Engagement to present at update to the April OLC board to outline the actions and key milestones for organisational progress against strategic goal 4.**

Item 11 – Publishing Decisions

49. The Chair welcomed Nicola Sinclair to the meeting.

50. Nicola outlined work undertaken since the policy statement and proposed publishing format were circulated for consideration to Members in December. She stated that, if approved, the new policy would apply to all service providers, including CMC's.

51. Members noted that the policy for category one publication had only been used once and agreed that it was in the public interests to publish decisions in circumstances where there were a pattern of complaints or decisions.

52. Discussion took place on the rationale for not having undertaken consultation prior to widening the policy to include CMC's. Members noted that government guidelines stated that it was not necessary to consult if the principles had already been agreed. It was also noted that there was a clear communication strategy to ensure the CMC companies were notified. This included meeting with CMC representatives and the regulator.
53. Members noted that a new approach was being developed for publishing decisions which included making better use of data available across the organisation. It would also include the development of a fast track process which, if approved, would be overseen by an OLC Committee of Board members.
54. Members approved the policy, approved the recommendation to apply the policy to both service providers and CMCs, approved the format for the publication of category 2 ombudsman decisions and agreed the improved format to be included in the scope when the new website was developed.
55. Members also approved the formation of an OLC Committee to oversee the fast track process. This Committee would comprise the OLC Chair, Tony King and Caroline Coates or Philip Plowden.

ACTION:

- **Members approved the formation of an OLC Committee to oversee the fast track process. This Committee would comprise the OLC Chair, Tony King and Caroline Coates or Philip Plowden.**
56. It was agreed that the Chief Ombudsman would review the policy to see how it would address circumstances where numerous cases set a precedent and whether a precedent clause was required.

ACTION:

- **The Chief Ombudsman to review the Publishing Decisions policy to see how it would address circumstances where numerous cases set a precedent and whether a precedent clause was required.**

Item 9 – Any Other Business

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

Next meeting

58. The next OLC meeting would be held on 26 April in Birmingham.