

Minutes of the twelfth meeting

Office for Legal Complaints (OLC) Board

Monday 21st June 2010

11.30am – 3.00pm

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

Present:

Elizabeth France, Chair
Margaret Doyle, member
Professor Mary Seneviratne, member
David Thomas, member
Rosemary Carter, member
Brian Woods-Scawen, member
Tony Foster, member

In attendance:

Adam Sampson, Chief Ombudsman
Liz Shepherd, Operations Director
Alison Robinson, Head of External Affairs
Rob Hezel, Director of Finance and Business Services

Board Secretary:

Andy Taylor

Preliminary issues:

The meeting was preceded by a presentation by the Intellectual Property Regulation Board (IPReg).

The quorum requirements for the Board meeting were met.
There were no declarations of interest made.

Item 1 – Welcome and apologies

1. The Chair welcomed those in attendance.
2. There were no apologies received.

Item 2 – Minutes of previous meeting

3. The minutes of the meeting of 17 May 2010 were approved.

Item 3 – Matters arising & action points

4. The Board noted those items where action had been completed and that others included within the agenda. Two action points by Human Resources remained outstanding from the previous Board meeting. Further ideas for the proposed Board “away day” are likely to emerge at the members meeting following the July Board meeting.

ACTIONS

- Human Resources to forward the required information to the Board Secretary for onward communication to the Board before the next Board meeting.

Item 4 - Chair’s update

5. The Chair reported on a constructive quarterly meeting which she and the Chief Ombudsman had with the Bar Standards Board. She had also attended a Symposium regarding “the Future of the Bar”. This outlined the challenges facing the Bar and what it must do to overcome them.

Item 5 & 6 - Chief Ombudsman’s report & commencement order update

Summary of the tabled report;

- Staffing; the paper updated the Board on the progress towards staffing the new organisation, including recent appointments and the data about the number of candidates for operational roles who are due to be assessed at the LeO selection centres. It also provided an update on the planned LeO training programme.
 - IT and Premises; the report indicated that work has now commenced on the final fit-out of the new premises and the broad shape of the furniture and design had been agreed. Additionally, steady progress is being made on the new IT system with initial delivery being scheduled for early July, followed by a period of extensive user testing.
 - Business processes; work is continuing to refine the business processes and create the organisation ‘Rough Guide’. The report also advised that good progress is also being made in relation to knowledge management and quality.
 - External Affairs; the report outlined recent external affairs activity which has largely concentrated on the commencement orders. Newly appointed staff have begun work on the suite of letters and leaflets to support the launch of the organisation and the regular programme of meetings and speeches is also detailed including the publicity which the new initiative has gained in newspapers such as the Guardian.
6. Questions were invited in response to the paper and also what evidence there was in relation to the outcomes of any IT testing undertaken so far. The Chief Ombudsman explained that:
 - that the recruitment of Team Leaders was on a phased basis, with 12 appointments planned in the current phase, with recent recruitment activity identifying 11 appointable candidates for the role;

- occupation of the 5th and 6th floors of Baskerville House was on track for mid August and Board members would be invited to view progress at the July Board meeting;
- the IT workstream was on track; however, there may be some degree of compromise on what IT facilities will be available at “go-live”, with ongoing investment thereafter. The Board asked for a paper summarising progress to be provided in time for the next meeting and also for a demonstration of the IT system(s) in September that should include a “walk through” of the business process. A draft of the operational “Rough Guide” was also requested for the 6th September meeting;
- the Board noted an exchange of correspondence with the Ministry of Justice. Items covered included the inter-relationship between the Legal Ombudsman's planned opening date and the laying of the necessary delegated legislation, and the impact of this on cost and funding. The Board noted: the timetable for laying the delegated legislation and when it was likely to come into force; confirmation that the Board and the Chief Ombudsman had fulfilled their responsibilities by communicating the financing implications of any delay, which would accordingly be the responsibility of the Ministry; assurances on the continued availability of funding through grant in aid, rechargeable to the legal sector; and ministerial approval of transition plans, continued recruitment and other preparations for the planned opening date. On this basis, it was agreed to proceed with all the arrangements necessary to be able to open on 6 October 2010;
- following the recent publication of items within the legal press, the Board agreed that a formal press release, including a ministerial quote, should be issued regarding the opening date as soon as possible.

ACTIONS

- The Director of Finance and Business Services to provide a paper regarding the progress of the IT workstream for the July meeting and in addition, to organise a demonstration of the IT system(s) to the Board in September, including a “walk through” of the business process.
- The Chief Ombudsman to provide a draft of the operational “Rough Guide” for the 6th September meeting.
- The Chief Ombudsman to respond to the letter dated 17 June 2010 from the Ministry of Justice.
- The Head of External Affairs to arrange a press release confirming the Board's intention to keep to its plans for opening, subject to the Parliamentary timetable.

Item 7 – Finance report

Summary of the tabled report;

- The paper gave details of the regular month end financial information as at 31 May 2010. The cumulative project costs to date were £4.4m with project spend in April £0.838m, this including staff costs of £0.129m, premises costs of £0.136m and external support costs of £0.275m. The cumulative project spend forecast to the 6th October 2010 remains as £14.5m.

7. The Board noted the report and requested that a budget forecast for the period 7 October – 31 March 2011 be developed and presented to the next Board meeting. It was acknowledged that cash flows will change following “go-live” and this should be appropriately reported within the paper.

ACTIONS

- The Director of Finance and Business Services and Head of Finance to develop and present a budget forecast for the period 7 October – 31 March 2011 to the next Board meeting.

Item 8 – Risk

8. The register recorded two areas with an increased risk and twelve areas where a reducing level of risk had been identified. The Chief Ombudsman advised that an “off the shelf” modular IT package for HR was being purchased. The current risk register reflected potential issues leading up to “go-live” and a separate “steady state” risk register would be developed.

Item 9 – KPIs and MI reporting structure

Summary of the tabled report;

- The report outlined the mechanisms for assessing organisational performance, with the aspiration to meet KPI targets across all Balanced Business Scorecard areas. It also included an overview of the management information reporting structure and planned reporting hierarchy, reflecting the summarised information requirements of stakeholders, the Board and senior management, and also the more detailed information requirements at departmental and operational levels of the organisation.

- KPIs within each element of the BBS were outlined as follows:

Stakeholder Satisfaction:

KPIs will relate to the quality of service as perceived by key stakeholder groups: consumers, lawyers, regulators, and other key partners and also provide checks to ensure that efficiency and process goals do not adversely impact upon the quality of the service delivered. Examples may include where internal process service level targets are met, but may not meet stakeholder expectations.

Financial efficiency & Control:

KPIs will relate to financial and operational efficiency, for example cost per case, and cost performance vs. budget limits. This sector should provide a check to ensure that the resources deployed are utilised efficiently and in a controlled manner.

Internal Process:

KPIs will relate to process performance and activity and identify where the business process is succeeding or failing to deliver the targeted levels of service.

Organisation & Learning:

KPIs will relate to the organisation’s skills and competency levels, training activity and the level of vacancies and the overall capacity of the organisation to deliver the service.

9. The Chief Ombudsman explained that the intention was to implement a separate workstream to manage the development of organisational KPIs, with the aspiration of developing a largely automated monitoring mechanism. The Board enquired further in respect of specific areas, including the development of a satisfaction survey, monitoring of internal complaints, “unit cost per case” and the “proportion of cases versus case fees”. It was also thought appropriate to consider the inclusion of additional KPIs to monitor the timescales taken to acknowledge and assess complaints received. It was the Board's view that it was premature to create any targets against KPIs until the organisation had gained some operating experience.

Item 10 – Talent management

Summary of the tabled report;

- The report provided the Board with an update on the Talent Management Strategy being developed for the Legal Ombudsman, and included the following areas:

Competency Framework

The competency framework was developed through a series of structured interviews with members of the Legal Ombudsman team and with representatives from other Ombudsman Schemes. The competency model has been developed around seven ‘clusters’ each of which contains a number of individual competencies.

Use in Recruitment

The competency model is being used as the basis for selecting staff during the recruitment process.

Performance Management

In order to be able to measure the performance of individuals within the organisation, it is intended to adopt a framework for linking the multiple aspects of performance, including progression through the competency model; this will also enable the organisation to identify development goals for individuals:

Learning & Development

Progress through the early stages of the competency framework can be explicitly linked to the acquisition of key skills which will be generally required. Ongoing development plans can then be individualised based on the specific needs of the individual, their areas of interest, and potential career paths through the organisation.

In order to ensure consistent levels of skills and knowledge amongst staff there will be an initial period of training of 4 – 6 weeks which will take place during August and September as the staff complement is built up.

10. It was explained that the recruitment process for the operations roles included behavioural testing and a personalised interview and candidate competencies were tested on three separate occasions, ensuring a robust selection mechanism. In addition to evidencing core competencies, those candidates applying for corporate vacancies would also be required to evidence skills related to the role. The competency framework also enabled the organisation to set appropriate objectives to staff in order to facilitate their personal development towards the next level, linking performance with reward through a step progression model.

11. The Board asked how the specific skills of staff would be recorded and made available throughout the organisation. It was explained that the proposed intranet would record this information and “team sites” would also be created. These would enable the identification of particular skills and experience. The Board asked if the Ombudsmen could make a short presentation at future meetings to outline their particular specialisms.

ACTIONS

- The Board Secretary to liaise with the Chief Ombudsman to arrange for the Ombudsmen to make a short presentation to the Board outlining their particular specialisms.

Item 11 – Consumer Panel research

Summary of the tabled report;

- The report outlined the proposed joint research with the Legal Services Consumer Panel as follows:
 - (i) to understand from consumers of legal services what they believe are the benefits and disadvantages of publishing information about the outcome of Legal Ombudsman cases that identify the lawyer or firm involved and in particular;
 - of those that see a potential benefit, to understand what specifically they believe would be valuable and to understand how information could be presented to ensure it is fair and useful; and
 - of those that see no benefit to understand the reasons;
 - The paper also identified the proposed research for the Legal Ombudsman only:
 - (i) to understand from traditional firms and high street lawyers what they see as the pros and cons of publishing information about the outcome of Legal Ombudsman cases that identify the lawyer or firm involved;
 - of those that see a potential benefit, to understand what specifically they believe would be valuable and to understand how information could be presented to ensure it is fair and useful;
 - of those that see no benefit to understand the reasons;
 - (ii) to understand any potential unintended or adverse consequences of publication
 - (iii) research to gauge public perception of complaints about legal services to provide context and to provide a baseline to measure against in future; and
 - (iv) an initial staff survey to provide a baseline to measure staff perception and staff satisfaction in the longer term, and this will be a joint exercise between the HR and External Affairs teams.

12. The Board suggested that the consultation exercise might consider looking at a wider area, for example regarding the format of case reporting and also whether other complaint handling bodies, e.g. Ofgem, had experienced a change in consumer demand following the naming of those being complained about. The Board also enquired whether it was known if any other organisations were undertaking similar research.

Item 12 – Presentation of Committee Annual Reports & Committee meeting updates

13. The Board received and approved the Audit and Risk annual report and Remco annual report, both for the period 2009 - 10.

Audit and Risk Committee

14. The Chair of the Audit and Risk Committee advised the Board that the committee had;

- Planned and agreed an agenda framework for the 2010 – 11 reporting period and that key meetings would take place with both internal and external auditors to agree and document the milestones for the same period.
- Noted the organisation's Health and Safety policy and appendices and had made arrangements to receive an annual health and safety report in October 2011.

Remco

15. The Chair of Remco advised the Board that although no formal meeting had taken place since the last Board meeting, a telephone conference had been held and that a meeting schedule for 2010 – 11 was in progress.

Item 13 – Presentation of OLC Annual Report 2009 - 10

16. The Chair of the Audit and Risk Committee updated the Board in respect of the meeting with internal and external auditors earlier in the day. The Chair of the committee confirmed that appropriate evidence had been submitted by the executive in support of the statement of internal control and that the Chief Ombudsman's report had also been approved. However, although the accounts were considered to be straightforward, the NAO had reconsidered the application of the levy funding arrangements within the accounts and this matter remained outstanding. The executive had been asked to ensure this issue was resolved as soon as possible and the committee Chair proposed that the Board authorised appropriate delegation to the Audit and Risk Committee to confirm the final accounts upon resolution of this outstanding issue. The Board agreed to the proposal and subject to final clarification from the NAO regarding the levy issue, approved the 2009 – 10 OLC Annual Report and Audited Accounts.

Item 14 – Future agendas and any other business

17. The next meeting would be held on 19 July 2010 commencing at 11.30am at Baskerville House in Birmingham and would be followed from 3pm – 4pm with a meeting for members to review their own performance during the year.

Andy Taylor
Board Secretary
2 July 2010