

<i>Meeting</i>	OLC Board Meeting	<i>Agenda Item No.</i>	5
		<i>Paper No.</i>	105.4
<i>Date of meeting</i>	29 June 2020	<i>Time required</i>	15 Minutes

<i>Title</i>	<b>Executive Report</b>
<i>Sponsor</i>	Rebecca Marsh, Chief Ombudsman
<i>Status</i>	OFFICIAL
<i>To be communicated to:</i>	Members and those in attendance

<b>Executive summary</b>
<p>This paper updates Board on the Chief Ombudsman’s review of the senior structure and progress on implementation.</p> <p>Other key areas of focus are covered elsewhere, including:</p> <ul style="list-style-type: none"> <li>• Annual Report and Accounts</li> <li>• Performance and Covid-19</li> <li>• Finance</li> </ul>
<b>Recommendation/action required</b>
Board is asked to <b>NOTE</b> the progress on the senior restructure and the recommendation for a formal review point.

## Executive report

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### 1. Background and aim of restructure

The senior restructure looks to address the four key areas of risk for the organisation:

- Delivery, including performance and people
- Governance and Risk
- Finance
- Confidence and reputation

It looks to provide the Chief Ombudsman, as accounting officer with the right level of governance and control over these key areas, through structural accountability and line management.

The structure and job roles also reflect the discussions RemCo had about the need for the COO to have a clear line of sight to the Board and it was agreed that:

- The CO, as the AO, is accountable to the MoJ and to the OLC Board for all aspects of the Office for Legal Complaints executive functions.
- The CO, as the AO is accountable to the Permanent Secretary for Managing Public Money, which includes ambit, and value for money measures.
- The CO is accountable for the decisions and quality of the same, for the Legal Ombudsman Scheme, to the Lord Chancellor and to the Courts through JR.
- The COO is accountable to the CO and to the OLC Board specifically for the operational performance of the LeO scheme.
- The OLC Board is accountable to the LSB and with further accountabilities to the MoJ.

The restructure therefore focuses the day to day delivery of the casework operation, with 95% of the people and resource, under a Chief Operating Officer (COO), with functional accountability for delivery, HR, IT and improvement. The COO also chairs the Management Team, which is effectively the operating committee for the day to day running of the business, holding both accountability for delivery and the necessary authority to enable it.

The Chief Ombudsman chairs the Executive Team, which provides oversight of these activities, drives the strategy, governance and finance and supports the external focus of the organisation, ensuring effective stakeholder engagement and seeking to maximise impact and influence.

Supporting the Chief Ombudsman in this is the Head of Impact and External Affairs, who will effectively lead the second delivery stream for the organisation – feedback to

the profession. However, this delivery stream will develop over the coming year as it is not resourced to any extent within the existing standstill budget.

The Head of Governance and Strategy will provide a reshaped support team, with upskilled resource on risk management, strategy and business planning, robust reporting and governance infrastructure and an enhanced operational support function. This will include the ongoing improvement of the necessary management information and data to support and enhance casework delivery and business planning/reporting, as well as the development of data to support the feedback to profession delivery stream.

Finally, the Finance function will be uplifted to support the business, with a Head of Finance role re-introduced and the Senior Information Risk Officer accountability to sit with the role.

To have capacity to address the challenges inherent in the business over the next two years and to provide the level of strategic leadership necessary, the Chief Ombudsman will have a permanent Deputy and will delegate significant proportion of her functions to that role for the foreseeable future, with suitable oversight arrangements.

## 2. Progress and risks

The revised structure sits at Appendix 1

The Remuneration Committee have provided extensive comment and input into the structure and the Chief Ombudsman has given due consideration to that feedback in the final position.

However, to minimise risk and reduce the cost of redundancies some of the line management and matrix functions remain as part of the structure.

The structure is on schedule to take effect from the 1<sup>st</sup> July, but there will be a number of vacancies at that point.

The senior team were all hugely professional and helpful with regard to the restructure and no significant risks materialised.

On the rest of the actions to progress the restructure, authorisation for the use of recruiters and the appointment of recruiters has taken place. The recruitment to the CO and COO roles is hoped to receive sign off by the Permanent Secretary between the time of writing and Board, but an update will be provided on the day. The adverts will be ready to go at the point that it is received.

In the intervening period, there remains the need to address the four risks outlined at the start of this paper.

- Delivery, including performance and people - the Head of Impact will take temporary responsibility for the Operations Managers and the operational delivery, with the Head of HR and the additional support resource supporting her in undertaking the role and driving forward the people plan. The current Head of Operational delivery will take the Deputy Ombudsman functions to allow the CO capacity to deliver on the key areas of risk.
- Governance and Risk – in addition to the support MoJ are currently seeking authorisation to provide, there is a need to adequately resource the governance function at the next level down, and the CO will be working with the Head of Governance to address this as a matter of urgency.
- Finance – the development of the financial control environment is crucial and along with the support from MoJ, the Head of Finance will be working closely with the CO and Head of Governance on ensuring the plan for improvement is robust, as well as looking at further skill gaps that require addressing.
- Confidence and reputation – in the coming months the Chair will continue to lead the conversations externally, with the new Head of Impact providing only support activity to her until the COO is in post.

As referred to above, there are a number of next level gaps that now need filling to ensure that the senior leaders can fully occupy and deliver the new roles for which they are accountable and work is underway to ensure that those are progressed quickly. As part of that, an update on the support for Risk assurance will be provided at the meeting, as the business case is still being progressed within MoJ.

### 3. Next steps

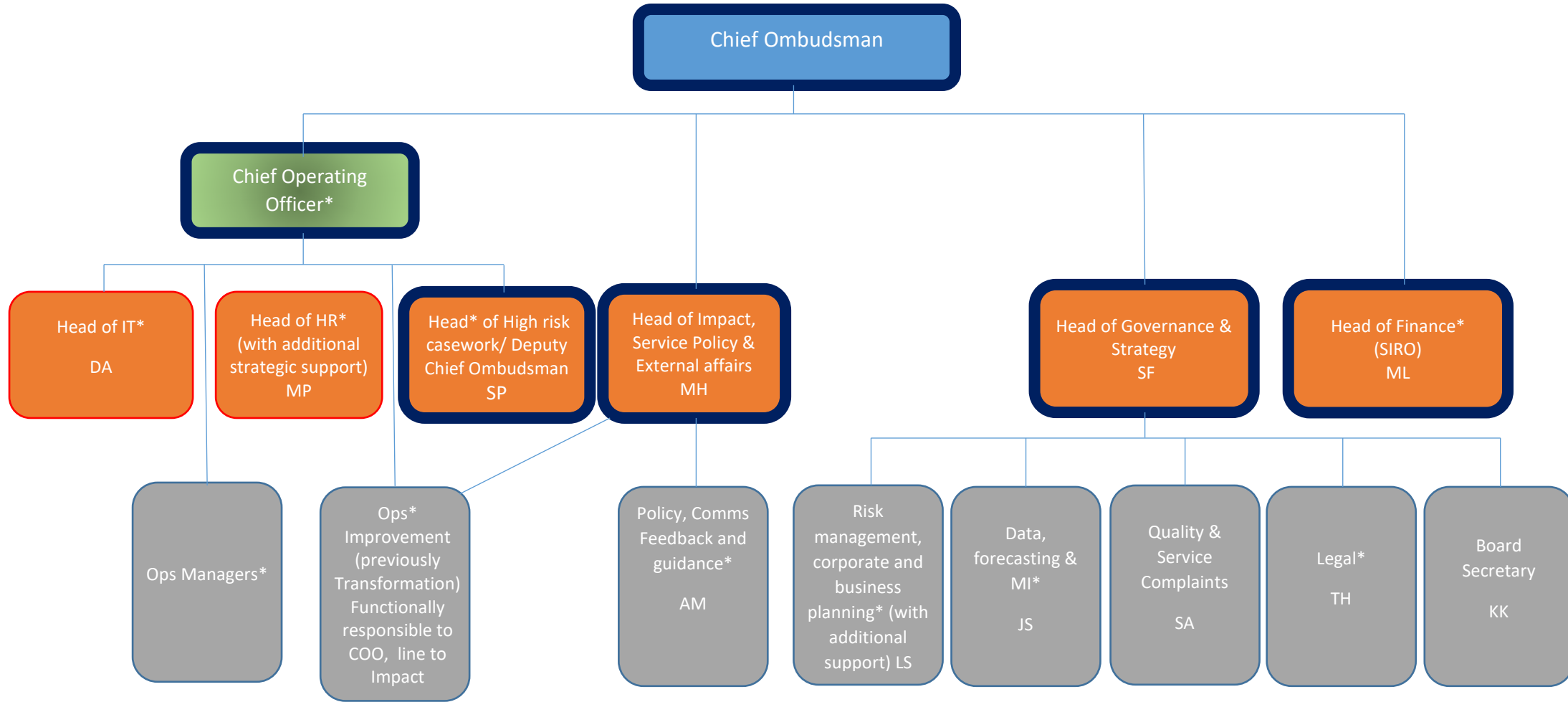
The Chair and the Remuneration Committee will continue to work with the Chief Ombudsman in taking forward the necessary work to deliver the structure prior to the CO's exit.

The structure proposed is based on current challenges and is expected to be relevant for at least the next two years. However, Board and my successor are advised to review the structure as part of the budget and business planning for 2021/22, i.e. in around 18 months time.

An informal review will be undertaken in 3 months, on those areas in place, prior to the CO leaving.

Board will receive a short update from the CO at the next meeting in July on progress.

# Appendix 1 – Revised Structure



**Head of Impact,** Dark outline denotes Executive Team member

**\* Denotes member of Management Team**