

Minutes of the Sixty-Ninth Meeting of the

Office for Legal Complaints (OLC)

Tuesday 26 January 2016

09:30– 11:30 am

Legal Ombudsman, Birmingham

Present:

Steve Green, Chair
Caroline Coates, member
Bernard Herdan, member
Michael Kaltz, member (via Skype)
Professor Philip Plowden, member
Tony King, member
Jane McCall, member

In attendance:

Elizabeth Gibby, MoJ (representing Catherine Lee, OLC Accounting Officer)
Nick Hawkins, Chief Executive
Kathryn Stone, Chief Ombudsman
Paul Partridge, Interim Director of Corporate Services
Kathryn King, Head of Customer Experience

Apologies:

Freda Sharkey, General Counsel

Board Secretary:

Helen White

Preliminary issues:

The Board meeting was quorate.

Item 1 – Welcome and apologies

1. The Chair welcomed Elizabeth Gibby, representative for the OLC Accounting Officer, to the meeting and noted the apologies from Freda Sharkey, General Counsel who was in Court. The Chair also noted that Michael Kaltz was joining via Skype call.
2. The Chair noted that it was both Paul Partridge and Kathryn King's last Board meeting. He thanked them both for their hard work and the significant contributions they had each made to the organisation.

3. The Chair noted that, due to the shortened Board meeting, there would be no staff observer present. They would, however, be attending the March Board.
4. 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.
5. Staff attendees made a general declaration of interest for discussions related to Item 4.

Item 2 - Minutes of the previous meeting

6. The minutes of the meeting held on 9 December 2015 were approved.

Item 3 - Matters arising and outstanding action points

7. Members noted those items where actions had been completed and those that were included as agenda items.
8. Members noted that discussion had taken place at the January Audit and Risk Assurance Committee meeting regarding the corporate risk register. It was noted that the corporate risk register was next due for discussion at the Board in June 2016.

9. [Redacted]
[FOIA exempt s43(2)]

ACTION:

- [Redacted]
 - [Redacted] [FOIA exempt s43(2)]
10. [Redacted]
[FOIA exempt s43(2)]

Item 4 - Comments received regarding items presented for information

11. The items presented for information were noted. No comments had been received in advance of the meeting for circulation

Chief Executive's Report

12. The Chief Executive updated members on the latest position regarding the regularisation of staff benefits and pay remit. The Chair stated that once formal communication was received from the Treasury, he would update members.

13. Discussion took place on the potential for the implementation of a new salary sacrifice scheme. The RemCo Chair noted that this would be something which RemCo would review further at their forthcoming meeting.

ACTION:

- **The Board Secretary to note that RemCo would review the potential for the implementation of a new salary sacrifice scheme at their February meeting.**

Interim Chief Ombudsman's Report

14. Discussion took place on the first time buyers conveyancing guide which had featured on a number of regional and national radio stations.

15. Members noted that the Independent Service Complaints Adjudicator had completed her first twelve months' in post. The OLC Chair reported that, under the delegation given to him and the interim Chief Ombudsman in March 2015, he approved the extension of the contract for the Service Complaints Adjudicator for a further two years. This was noted by members.

- **The General Counsel to finalise the paperwork to extend the contract for the Independent Service Complaints Adjudicator for a further two years.**

Interim Director of Corporate Services Report

16. Discussion took place on the budget consultation which was due to close in early February. Members noted that the draft budget would need to be approved at the March OLC Board in preparation for submission to the LSB at their Board in March.

- **The Board Secretary to note that the draft budget would be presented to the March OLC Board for approval.**

17. Elizabeth Gibby reported that it was unlikely that the levy amount would be announced before May. The interim Director of Corporate Services stated that it was likely that the LSB would approve the OLC budget by the end of the financial year, subject to the MoJ delegation of money which would come down through the levy structure.

Finance Report

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

Register of Interests

19. Members noted the Register of Interests. It was noted that the document would be published on the LeO website as part of the LeO publication scheme.

- **The Board Secretary to publish the OLC Member and Ombudsman Register of Interests on the LeO website.**

Register of Hospitality

20. Members noted the Register of Hospitality. It was noted that the document would be published on the LeO website as part of the LeO publication scheme.

- **The Board Secretary to publish the Register of Hospitality on the LeO website.**

Item 5 – ARAC Update

21. The ARAC Chair updated members on the ARAC meeting held on 21 January 2016, and circulated a draft set of minutes.

22. The ARAC Chair reported that the meeting had discussed the Annual Report and Accounts. He noted that there were minor adjustments but the net effect of the under-and-over stated items were not material. The Committee had therefore agreed that no further changes be made to the Report and Accounts. It was noted the aim was for the Report and Accounts to be laid in Parliament on 28 January. In preparation for any media interest, the OLC media team would liaise with the MoJ Press Office and Legal Services Board.

23. The ARAC Chair reported that he, together with Tony King and the Chief Executive, had met with the internal auditors to discuss the internal audit forward plan. It had been agreed that the main audit focus for the year would be governance and finance.

24. Members noted that the Chief Ombudsman had requested to withdraw two papers from the meeting. These would be recirculated between committee meetings. Discussion took place on the number of data handling incidents. Members noted that data handling incidents had increased as a result of the new case management system and the manual workarounds which were required to address system issues. Members requested assurance that the incidents were being addressed. Kathryn Stone reported that she was reviewing the data to inform the revised report.

25. The Chief Executive provided an update on the IT reprocurement. Members noted that MoJ colleagues were being kept informed as the programme progressed.

Item 6 – Quarterly Performance Update

26. Paul Partridge reported that December had been a strong month in terms of operational performance. He noted that the number of cases accepted during the last quarter was high compared with the first three quarters of 2015.

27. Discussion took place on the sickness levels which had increased. Members noted that this was further compounded by the secondment of four investigators to the ombudsman team. It was agreed that RemCo would continue to monitor the sickness levels and would highlight any trends.

ACTION:

- **The RemCo Chair to ensure RemCo continue to monitor long-term sickness and would highlight any trends to the Board.**

28. It was noted that resourcing would remain an issue whilst the recruitment campaign for front line staff continued. It was noted that whilst the campaign was proving successful, applicants would not be in post until April and would not be fully proficient in their roles until June.

29. Members noted that the ombudsman work in progress numbers were reducing as per the agreed plan. This was largely down to the impact of the additional ombudsmen.

30. Discussion took place on the breakdown of cases dealt with per active investigator. The ARAC Chair requested further analysis which the interim Director of Corporate Services agreed to circulate.

ACTION:

- **The interim Director of Corporate Services to provide further analysis of the breakdown of cases dealt with per active investigator.**

31. Discussion took place on the 180 day timeliness reporting, which members thought appeared low. Discussion took place about the nature of unresolved cases and the stage at which they reach the timeliness thresholds. The interim Director of Corporate Services reported that a significant proportion of the cases over 180 days were already in the ombudsman queue awaiting ombudsman decision.

32. Bernard Herdan requested further breakdown of the 180 day cases, which the interim Director of Corporate Services agreed to provide by the end of January.

ACTION:

- **The interim Director of Corporate Services to provide a breakdown of the 180 day cases to members by the end of January.**

33. Members expressed concern that a backlog was now building up within the investigator team. The Chief Ombudsman reported that this was a high priority and reported that the operational management team had agreed that the investigators would increase their case holdings. Work was also taking place to review how the rollout of preliminary decisions may affect these numbers. The Chief Ombudsman reiterated that it was important that the team understand that quality and timeliness should work together. It was agreed that the Chief Ombudsman would provide a short term 'get well plan' which would be circulated to members outside committee before the March Board meeting.

ACTION:

- **The Chief Ombudsman to provide a get well plan to outline the short term actions being taken to address the backlog within the investigator team and also the actions to address the 180 day cases.**

34. Discussion took place on the last quarter's customer satisfaction figures. It was noted that the top reason for complainant satisfaction was helpful, polite staff. There had been a decrease in lawyer satisfaction in the quarter and it was noted that a smaller sample size had been used. The Board would continue to monitor lawyer satisfaction over the next couple of quarters to assess whether the last quarter's results signalled the beginning of a trend.

35. Members noted that there was a new approach to quality management. The new format meant there was currently little data to analyse and plot trends. Work would continue to analyse and present the data.

36. Discussion took place on the new set of performance indicators which would be in effect from April 2016.

37. The interim Director of Corporate Services reported that there had been an increase in activity in the CMC jurisdiction. Unallocated case levels were affecting the timeliness targets and this backlog would be reduced over the coming months.

Item 7 – General Counsel Quarterly Update

38. Members noted the report and the question raised by Caroline Coates in advance of the meeting regarding the judicial review data. For future reports members requested that numbers provided be broken down by calendar year.

ACTION:

- **The General Counsel to ensure that numbers provided in her quarterly report were broken down by calendar year.**

Item 8 – Presentation by Kevin Rousell, Head of Claims Management Regulation

- 39.** The OLC Chair welcomed Kevin Rousell to the meeting. Kevin stated that his aim for the presentation was to reflect on the last year of the OLC undertaking CMC jurisdiction, look at the current market conditions and look at the future.
- 40.** Kevin reported that the first year had been a success and as a regulator, had not had to intervene much during the year. He noted that both organisations had adapted well as the year progressed.
- 41.** It was noted that stakeholder feedback had been encouraging as had consumer feedback about the service. This had supplemented regulation within the CMC industry.
- 42.** Discussion took place on the communication channels which had been used, specifically the consumer engagement, which was positively received.
- 43.** Discussion took place on the CMC marketplace and how this could develop over the next five years.
- 44.** Discussion took place on the main areas of impact on the CMC industry going forward; PPI time bar, the 'Plevin' case, fee capping for CMC's, an increase in the small claims limit and the reform of regulation for CMC's. It was noted that this reform was being led by Carol Brady, who would be presenting her report later in spring.
- 45.** Kevin reported positive feedback on the premature pilot and looked forward to the outcome of the organisation's review.
- 46.** It was noted that within the last 12 months, the Claims Management Regulator had successfully fined five CMC's for breach of their rules.
- 47.** The OLC Chair thanked Kevin for taking the time to update and inform the Board on the activities over the last year. The discussion about the future of the CMC market was timely as it would feed into the Board's strategy discussions.

Item 9 – Any Other Business

- 48.** No other business was raised. The Chair declared the meeting closed.

Next meeting

- 49.** The next OLC meeting would be held on 9 March in Birmingham.