

**Minutes of the Seventy First Meeting of the**

**Office for Legal Complaints (OLC)**

**Tuesday 26<sup>th</sup> April 2016**

**09:30– 14:30 am**

**Legal Ombudsman, Birmingham**

**Present:**

Steve Green, Chair  
Caroline Coates, member (via Skype items 1-6, 10 and 12 only)  
Bernard Herdan, member  
Michael Kaltz, member  
Philip Plowden, member  
Tony King, member (via Skype items 7, 8, 9, 11 and 13 only)  
Jane McCall, member

**In attendance:**

Nick Hawkins, Chief Executive  
Kathryn Stone, Chief Ombudsman  
Emma Cartwright, 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 & Engagement (items 1-5, 7, 8 and 9 only)  
Paul Cooper, Team Leader (item 4 only)  
Ben Bishop, Team Leader (item 4 only)  
Richard Cooper, Team Leader (item 4 only)  
Sam Chilvers, Team Leader (item 4 only)  
Claire Evans, Independent Service Complaints Adjudicator (item 6 only)  
Baljit Kaur, Equality and Diversity Manager (item 12 only)  
Rhiannon Walpole, External Relations Manager (items 7-9 only)

**Apologies:**

Catherine Lee, OLC Accounting Officer

**Observing:**

Elizabeth Woodall, Staff Observer  
Nicola Hampton, Staff Observer

**Board Secretary:**

Helen White

**Preliminary issues:**

The Board meeting was quorate.

**Item 1 – Welcome and apologies**

1. The Chair welcomed the two staff observers Elizabeth Woodall and Nicola Hampton to the meeting. He noted the apologies from Catherine Lee. The Chair also noted that Caroline Coates and Tony King were attending via Skype call.
2. It was noted that the previous standing declaration of interest from Prof Plowden regarding his university's research engagement with Lockheed Martin was no longer valid as Lockheed Martin were no longer engaged by the OLC.
3. The Chair reminded Board Members to submit their expenses and also requested that they return their Board Assessment forms by the deadline of 2 May 2016.

#### **Item 2 - Minutes of the previous meeting**

4. The minutes of the meeting held on 9 March 2016 were approved as a true and accurate record of the meeting.

#### **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.

#### **Item 4 - Comments received regarding items presented for information**

6. The items presented for information were noted.

#### **Chief Executive's Report**

7. The Chief Executive updated members on the progress made on the governance review action plan. It was noted that updates had been received from the MoJ sponsor team which would be incorporated into the master document. The action plan would then be circulated to the delegated subgroup for review before submission to the Permanent Secretary. To enable this, it was agreed to continue the delegation to the subgroup for the final sign off and submission of the action plan to the Permanent Secretary.
8. It was noted that one action which remained outstanding from the governance review action plan was the production of a tripartite operating protocol between the MoJ, LSB and OLC. This matter was being progressed by the CEO with the CEO of the LSB.

9. The CEO reported that in order to provide the required Board assurance on the governance review, an internal audit was planned for Q3 on governance and financial controls.
10. The Chair reported that he had not yet had the opportunity to discuss the introduction of a 'casework committee' with the LSB. He therefore proposed the topic be discussed at the June OLC Board.

**ACTION:**

- **The introduction of a 'casework committee' be discussed at the June OLC Board.**

**Chief Legal Ombudsman's Report**

11. Kathryn Stone reported that whilst the performance figures remained challenging, it was clear that performance was moving in the right direction with ownership being taken. She reported that in both the Legal and CMC jurisdictions there had been a significant number of staff vacancies. New staff had now joined and it was hoped these staff would have a positive impact on the performance figures in the next couple of months.
12. Kathryn Stone reported that research feedback indicated that thoroughness and fairness were most important to consumers when seeking services from an ombudsman and that timeliness was a small part of what consumers expected.
13. Richard Cooper and Sam Chilvers joined the meeting to discuss their report on 'Contacts at Assessment'. It was noted that the aim of this project was to enhance the service provided and add value to service providers. It was noted that both the Assessment Centre and CMC team add value at the initial contact stage in a number of ways including requesting evidence before cases were sent to the investigator.
14. Richard and Sam reported on the work being undertaken to look at premature cases (cases where the consumer has not followed the first tier complaints process). Initiatives in the CMC jurisdiction were being considered for the legal jurisdiction where they could potentially assist vulnerable consumers.
15. Kathryn Stone reported that investigation had been undertaken on premature complaints and in particular the reasons why some consumers did not come back to the Legal Ombudsman. The Chair stated that the 'Understanding Customer Needs' research undertaken by ESRO reported how challenging members of the public found the process of making a complaint against their lawyer.
16. It was noted the CMC team needed to undertake further work on the external website to make the process clearer for consumers.

17. It was agreed that the Board would keep this piece of work under close scrutiny with a further report on the premature complaints work to examine the results in 6 months' time.

**ACTION:**

- **The Chief Legal Ombudsman to report back to the Board on work being done around premature complaints at the October OLC Board.**

18. It was noted that investigation was being undertaken to review the signposting wrap codes. There were currently 66 signposting codes which accounted for 5% of total contacts in the legal jurisdiction and 11% in the CMC area. As a result of the project, the team were recommending a review and consolidation of the wrap codes to ensure they accurately reflected work activities, whilst continuing to provide key performance information.

19. Ben Bishop and Paul Cooper joined the meeting to discuss the work being undertaken to identify how long it takes to resolve a case through activity sampling of a number of cases. It was noted that this would provide important data to provide better insight into the business and in turn drive best practice. The proposal would be to review some cases in forensic detail to see if there were changes needed in the business process to improve timeliness.

20. It was noted that the case management system provided the technology to time record all activities undertaken on a case. The sampling would be reviewed after three months.

21. Kathryn Stone reported that these initiatives reflected work being undertaken to continuously improve the organisation. The recommendations discussed were all time bound and monitored.

22. The Chair thanked the team for their impressive work and the enthusiasm shown.

23. Discussion took place on the new Section 120 reporting requirements from the LSB. It was noted that the Chair would write to the Chair of the LSB outlining the OLC/Board's approach to and expectations of performance over the coming twelve months. It was agreed that the Chair would circulate a copy of the letter.

**ACTION:**

- **The OLC Chair to circulate a copy of his letter to the LSB Chair.**

24. Members noted that the new service principles were successfully launched at the all staff event on 14 April and had been well received. The display screens throughout the office would highlight best practice to embed the principles.

25. Andy Gale reported that the initial feedback from the customer satisfaction survey indicated 80% of complainants were satisfied with the service received

on initial contact. A more detailed update would be provided to the June OLC Board.

**ACTION:**

- **Andy Gale to present on customer satisfaction survey at the June 2016 Board.**

26. Discussion took place on the CPD courses being provided. It was noted that these were self-funding and were promoted via firms and also social media. It was requested that the Operational Insight and Engagement team publish a list of courses so board members have visibility of the dates and locations.

**ACTION:**

- **Andy Gale to publish a list of CPD courses so board members have visibility of the dates and locations.**

**Finance Report**

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

**Board Member Expenses**

28. Members approved the Board Member expenses. 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 Board Member expenses on the LeO website.**

**Gifts and Hospitality**

29. Members approved the Gifts and Hospitality report. 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 Gifts and Hospitality Report.**

**Register of Interests**

30. Members approved the Register of Interests. 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 Register of Interests on the LeO website.**

**Item 5 – Quarterly Performance Report**

- 31.** Kathrine Sherrington provided a performance update for the Legal jurisdiction. She reported that the Assessment Centre had exceeded its service levels. Members noted that the capacity issues facing the operations team would be addressed now the new starters had joined.
- 32.** In light of the implications of the staff shortages, Bernard Herdan queried the future resource planning. The CEO reported that he would update RemCo further at their next meeting.
- 33.** Members noted that three pool ombudsmen had been appointed and were due to start shortly.
- 34.** Kathrine Sherrington reported that there had been a restructure of the teams in the Resolution Centre which had received a positive response from staff. The restructure better enabled the sharing of best practice.
- 35.** Discussion took place on the cost per case. It was noted that the figure of £1750 was the LSB target but the original OLC budget stated a figure of £1606. It was noted that whilst the overall cost of the service came down, the total number of cases were less than predicted.
- 36.** Kathrine Sherrington updated the Board on the different aspects of Chapter 5. She reported that there had been a significant increase in dismissals under Rules 5.24 and 5.32 over the last two quarters. It was noted that the figures provided included both legal and CMC jurisdictions.
- 37.** Members noted that the work in progress had decreased and also that investigator productivity had increased; both of which were positive and gave the Board assurance that ownership was being taken.
- 38.** Members noted that there appeared to be a disconnect between the telephony system and the reporting process due to the unreliability of the dashboard. Michael Kaltz expressed concern about the accuracy of the data being presented. It was noted that this would be reviewed further by the Audit and Risk Assurance Committee.
- 39.** It was noted that the rate of reduction in the ombudsman work in progress figures had reduced due to other demands on their time. These demands included the introduction of ombudsman peer reviews and the delivery of induction training for the new staff.
- 40.** It was noted that Andy Gale would present initial findings on the first quarter's customer satisfaction survey at the next Board meeting. This would follow with the development of the KPI's in the second quarter which would be reported on from 1 October.
- 41.** Discussion took place on the internal quality monitoring across the operational areas. Members expressed concern at the high percentage of cases within the Assessment Centre assessed as not achieving a reasonable

standard of service. It was noted that the underlying trend was due to time delays.

42. Members noted the areas where there were opportunities for CMC to improve customer service delivery and requested an update in the next report on actions put in place to address case progression.

**ACTION:**

- **The Chief Legal Ombudsman to include an update in her next report on the actions put in place within CMC to address case progression.**

43. Discussion took place on the increased contacts within CMCs due to the closure of a large claims management company.

**Item 6 – Annual Independent Service Complaint Adjudicator Report**

44. The OLC Chair welcomed Claire Evans, the Independent Service Complaints Adjudicator to the meeting.

45. Claire gave an overview of her experience having completed the first year of her appointment. She reported that she had upheld 50% of the complaints received and reported that she was generally satisfied with the quality of the complaint responses provided earlier in the complaints process.

46. It was noted that Claire was concerned at the formality of language used at Stage 2. This had been discussed with the Chief Legal Ombudsman.

47. It was noted that in some cases, the Independent Service Complaints Adjudicator had noted the drive to resolve cases resulted in a slip in attention to detail.

48. Discussion took place on the small number of cases where the Independent Service Complaint Adjudicator found that more attention should have been given to the handling of the particular needs of complainants. It was noted that mandatory equality and diversity training was being rolled out to all staff in Q1 2016.

49. The OLC Chair requested that the Chief Legal Ombudsman provide an update in her report to the June OLC Board on the implementation of the recommendations made by the Independent Service Complaints Adjudicator.

**ACTION:**

- **The Chief Legal Ombudsman to provide an update in her report to the June OLC Board on the implementation of the recommendations made by the Independent Service Complaints Adjudicator.**

50. Members thanked Claire for her report which they found both informative and reassuring.

## Item 7 – Quarterly Review of Strategic Priorities

51. Members noted the Quarterly Review of Strategic Priorities. The OLC Chair requested that for future meetings, the Head of Operational Insight and Engagement adapt the format of the report and included a progress bar against all items on the list.

### **ACTION:**

- **The Head of Operational Insight and Engagement to adapt the format of the report to include a progress bar against all items listed.**

52. Discussion took place on progress around enhanced analysis and insight capabilities. It was agreed that Prof Plowden would meet to discuss this out of committee with the Chief Executive and Head of Operational Insight and Engagement.

### **ACTION:**

- **Prof Plowden to meet with the CEO and Head of Operational Insight and Engagement to further discuss enhanced analysis and insight capabilities.**

53. Discussion took place on the stakeholder survey. Rhiannon Walpole was asked to circulate further information on this to Board Members out of committee.

### **ACTION:**

- **Rhiannon Walpole to circulate further information on the stakeholder survey to Board Members.**

54. Discussion took place on the strategic priority to realise the full business benefits of the business transformation programme. It was noted that the Head of IT would be attending the June OLC Board meeting, so this topic would be discussed further then.

### **ACTION:**

- **The Head of IT to update the June OLC Board on progress to realise the full business benefits of the Business Transformation Programme at the June OLC Board.**

## Item 8 – Business Plan

55. Members noted the updated Business Plan which had incorporated comments made at the April OLC Board meeting.

56. Discussion took place on the strategic priorities for research. It was noted that Prof Plowden would meet the CEO and Head of Operational Insight and



Engagement to further expand the research section of the business plan. The OLC Chair requested a further update at the June OLC Board meeting.

**ACTION:**

- **The Head of Operational Insight and Engagement to provide an update for the June OLC Board on the research section of the business plan.**

57. The OLC Chair noted that the Business Plan included key dates for items to be presented to the OLC Board. He requested that the Board Secretary identify the key slots for inclusion in the OLC Workplan.

**ACTION:**

- **The Board Secretary to note the key times for items identified in the Business Plan to be tabled at the OLC Board.**

58. It was noted that there would be a quarterly review of progress against the Business Plan.

**ACTION:**

- **The Board Secretary to note there would be a quarterly review of progress against the Business Plan.**

## **Item 9 – Draft Strategy Consultation**

59. Members noted the Draft Strategy Consultation paper.

60. Discussion took place on the stakeholders' views. It was agreed to publish stakeholder responses to the strategy consultation. It was noted that when third party complaints were considered, the consultation feedback would be noted and taken into account.

61. Members approved the publication of the final strategy and budget and also the publication of the feedback on the strategy and budget.

**ACTION:**

- **The External Relations Manager to publish the final strategy and budget.**
- **The External Relations Manager to publish the feedback on the strategy and budget.**

## **Item 10 – General Counsel Quarterly Report**

62. Members noted the General Counsel's report.

63. Discussion took place on the measures implemented by the Executive to provide assurance regarding contentious cases. It was noted that one

measure was the introduction of key indicators for the ombudsmen to consider when dealing with complaints. The OLC Chair requested that the General Counsel circulate the draft guidance to ARAC for comment and that once finalised, the document be shared with Board Members for information.

**ACTION:**

- **The General Counsel to circulate the draft guidance to ARAC members for comment.**
- **The General Counsel to circulate the final guidance to Board members for information.**

64. The General Counsel reported that she was working with the Chief Legal Ombudsman to introduce a similar process for investigators to flag cases which met specified criteria. She also reported that regular judicial review panel meetings were being held, attended by the General Counsel team, Chief Executive and Chief Legal Ombudsman
65. Michael Kaltz, Chair of ARAC, reported that at the last ARAC meeting discussion had taken place on the internal processes in place to assist investigators identify high risk cases at an early stage.
66. The General Counsel reported that ombudsman determination training had taken place in 2015 and that this training was being held again in May 2016.

**Item 11 – ARAC Update**

67. The ARAC Chair tabled the draft minutes of the ARAC meeting held on 19 April 2016. He drew Members’ attention to the Financial Crimes Guidance note which was due to be circulated by the General Counsel to ARAC members out of committee.
68. Discussion took place on the Data Handling Incident Report. Jane McCall queried whether ARAC were confident that information contained in the Data Handling Report included items reported across the business and not just those in Operations. The OLC Chair requested that ARAC review the data protection breaches and understand how these were categorised.

**ACTION:**

- **ARAC to continue its scrutiny of data handling and review the data protection breaches to understand how they are categorised.**

69. The ARAC Chair reported that the April ARAC meeting had focussed its risk theme on Performance. He noted that the risk register was very detailed and did not yet provide the required strategic oversight. He noted that the CEO and Head of Finance were working on a strategic overview of the risks for each area. It was noted that the Risk Register was due to be tabled at the June OLC Board.

70. Discussion took place on when the Board would discuss the OLC's risk strategy. The OLC Chair noted that this would be scheduled into the Board Workplan for a future meeting.

**ACTION:**

- **The Board Secretary to schedule Risk Strategy into the Board Workplan for a future meeting.**

71. The ARAC Chair expressed his thanks to Elizabeth Gibby, MoJ Sponsor Lead, for her prompt assistance in resolving the OLC business combined insurance renewal.

**Item 12 – Equality and Diversity Update**

72. The OLC Chair welcomed Baljit Kaur, Equality and Diversity Manager, to the meeting.

73. Caroline Coates reported that she had attended the recent Equality and Diversity Forum where the Equality Priorities and Objectives for 2016-17 were reviewed to ensure they aligned to the business strategy. Members noted that an action plan had been developed to support the delivery of the Equality Priorities and Objectives. This action plan would be reviewed and monitored quarterly by the Equality and Diversity Forum.

74. Members were pleased to note the prospect of working with the Legal Services Consumer Panel to explore BME dissatisfaction levels. It was noted that this would take place as part of a broader piece of work with the research team.

75. Discussion took place on the collection and analysing of lawyer / barrister equality data. It was noted that whilst the SRA and BSB collect some equality data, this could not be shared due to data protection caveats. Members agreed that it was important for the OLC to demonstrate equal fairness to both consumers and service providers with protected characteristics. To assist with this, Members requested that the Equality and Diversity Manager liaise with the Legal Services Board and LSCP to understand what other regulators currently do in this arena.

76. It was noted that the Equality and Diversity Manager would update the Board on progress around the collection of data.

**ACTION:**

- **The Equality and Diversity Manager to update the Board on the collection of data.**

77. Members approved the Equality Priorities and Objectives for 2016-17.

### **Item 13 – Board Observer Pilot**

**78.** The Board Observer pilot was discussed. Board Members agreed that the six month pilot which commenced in October 2015 had been a successful initiative. It was agreed that the initiative would continue for the foreseeable future.

**ACTION:**

- **The Board Secretary to promote the Board Observer initiative within the OLC.**

### **Item 9 – Any Other Business**

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

### **Next meeting**

**80.** The next OLC meeting would be held on 14 June 2016 in Birmingham.