

**Minutes of the Sixty-Third Meeting of the**

**Office for Legal Complaints (OLC)**

**Tuesday 21 April 2015**

**13:00 pm – 15.30 pm**

**Legal Ombudsman, Birmingham**

**Present:**

Steve Green, Chair  
Caroline Coates, member  
Bernard Herdan, member  
Tony King, member  
Jane McCall, member  
Professor Philip Plowden, member  
Karen Silcock, member

**In attendance:**

Ian Brack, Interim Chief Executive (*items 1-8*)  
Kathryn King, Interim Chief Ombudsman  
Freda Sharkey, General Counsel  
Ken Young, Interim Head of Policy and Communications

**Apologies:**

Michael Kaltz, member

**Board Secretary:**

Helen White

**Preliminary issues:**

The Board meeting was quorate.

Bernard Herdan declared an unresolved declaration of interest in relation to his role with the Bar Tribunal and Adjudication Service for the Bar Council and stated that he hoped this would be resolved by the next OLC Board meeting in July.

**Item 1 - Welcome and apologies**

1. The Chair thanked those in attendance, welcomed the new Board members to their first meeting and noted the apologies sent by Michael Kaltz. The Chair reminded Board members to ensure they submit their expense claims in a timely manner.
2. The Chair noted that the first order of action would be to formally approve the new membership of the committees. ARAC membership was proposed as: Karen Silcock (lay member), Prof Philip Plowden (non lay member), Michael

Kaltz (lay member) and Tony King (lay member). Karen Silcock would remain as Chair. RemCo membership was proposed as: Bernard Herdan (lay member), Jane McCall (lay member) and Caroline Coates (non lay member). Bernard Herdan would be Chair. The Board formally ratified this proposal.

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

3. The minutes of the meeting held on 9 March 2015 were approved.

### **ACTION:**

- **The Board Secretary to publish the approved minutes of the meeting held on 9 March 2015.**

## **Item 3 - Matters arising and outstanding action points**

4. Members noted those items where actions had been completed and those that were included as agenda items.
5. It was noted that a date of 5 May 2015 had been set for the next RemCo meeting.

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

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

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

7. The interim Chief Executive updated members on the major review which would be undertaken to ensure that controls and systems in the organisation were proper, appropriate, compliant and robust. The Terms of Reference for this review were being agreed with the MoJ. Discussion was ongoing with the MoJ around the scope of audit work to be included in this review. It was agreed that the interim Chief Executive would discuss this issue with MoJ colleagues.

### **ACTION:**

- **The interim Chief Executive to discuss the scope of audit work to be included in the review with MoJ colleagues.**
8. Members acknowledged the importance of moving forward with this review to enable the sub-committee formed at the last Board meeting to convene.
  9. Discussion took place on the revised scheme of delegations. Members requested that this be amended to reflect Committee and Board oversight. The interim Chief Executive reported that part of the review of financial controls and governance would be to review all the key documentation (including memoranda of understanding, framework agreements etc) to

ensure they provided a robust framework in which to operate. Members approved the revisions to the scheme, subject to the amendments proposed.

**ACTION:**

- **The interim Chief Executive to proceed with the revised scheme of delegations, subject to the amendments proposed.**

10. The interim Chief Executive reported that the regularisation of the staff benefits schemes remained his priority. Advice had been received from the Treasury Solicitor's Employment Division on the approach to the Total Remuneration Supplement. It was agreed that the approach for revising the scheme would need to go through RemCo. A positioning paper would be submitted to RemCo with an update to the OLC Board in June.
11. Discussion took place on staff morale and the effect that continued uncertainty was having on staff. It was agreed that the Board needed to be more visible, although there would be a balance between their roles as NEDs and the team on the ground. A theme had developed around 'hearts and minds' which needed to be addressed.
12. The interim Head of Policy and Communications updated members on the Scheme Rules and EU Alternative Dispute Resolution (ADR) Directive. He stated that the EU ADR Directive would be coming into effect in July to expand consumer access to redress. The Scheme Rules were therefore being updated to ensure they would comply with the requirements of the EU ADR.
13. Discussion took place on the time limits as the EU ADR stipulates that may only be one time limit which is twelve months. This conflicts with the Legal Services Act, so further advice was being sought.
14. The Chair requested that the interim Head of Policy and Communications ensure the Board were regularly updated on progress and requested a full update at the June Board meeting.

**ACTION:**

- **The interim Head of Policy and Communications to keep the Board appraised on progress on the implementation of the EU ADR.**
- **The interim Head of Policy and Communications to present an update on the EU ADR at the June OLC Board meeting.**

**Interim Chief Ombudsman's Report**

15. The interim Chief Ombudsman updated members on the trial being undertaken to remedy current delays in resolving 'high complexity' cases. Experienced main grade ombudsmen were determining these cases under the supervision of the lead ombudsman and interim Chief Legal Ombudsman. Initial feedback had been positive with the number of high complexity cases having reduced.

16. The interim Chief Ombudsman reported that work was continuing to address performance and staff morale, both of which had been affected by a number of changes, including the introduction of the Case Management System and the issues relating to the move to the new office.
17. Members acknowledged the work being undertaken and were keen to ensure that the interim Chief Ombudsman had the resources and tools to continue this work.
18. Bernard Herdan reported he felt it important to introduce measures to offer outreach support for consumers. This would be discussed separately with the interim Chief Ombudsman.

### **Finance Report**

19. Members discussed the Finance Report. Jane McCall reported that she had discussed the layout of the report in advance with the Head of Finance, in particular the difficulty in distinguishing the operating budget and income.
20. The Head of Finance reported that the budget principles document had been circulated to members, as it was important that they understand how the budget was monitored.
21. Discussion was held on the IT Migration project. The Head of Finance was given authority to initiate the first phase of the project. A further update would be given at the June OLC Board.

#### **ACTION:**

- **The Head of Finance was given authority to initiate the first phase of the IT migration project.**
- **The Head of Finance to provide a further update at the June OLC Board.**

### **Item 5 – ARAC Update**

22. The Chair of ARAC updated members on the ARAC meeting held earlier that morning.
23. She reported that an update had been given by KPMG. One audit report had been submitted with a further two remaining. The handover of the internal audit plan from KPMG to the MoJ internal audit team continued.
24. The Chair of ARAC reported that BDO had attended the meeting to represent NAO. They had presented their external audit plan. Work was due to commence on this in early June.

25. Discussion had been held on the critical projects. In relation to the review of Policies, the interim Chief Executive would now lead this work, as it would had significant linkage to the Review of Controls and Systems.
26. The lessons learned from the telephony and IT issues had been discussed by ARAC. These had indicated the importance of the procurement process and the steps required to successfully introduce change to work processes.
27. The corporate risk register had been discussed and it had been agreed that a separate meeting would be convened to discuss the register in more detail. The Chair of ARAC confirmed that the corporate risk register was presented to the Board twice a year. The Board Secretary was reminded to ensure that the rolling Board agenda was updated.

**ACTION:**

- **The Board Secretary to ensure the Board rolling agenda was updated.**

**Item 6 – Quarterly Performance Review**

28. Discussion took place on the Quarterly Performance Review and in particular the prospective introduction of the portal and the impact this would have on the consumer. Members were interested in whether this would affect response times and work in progress.
29. The Head of Finance reported that the rollout of the portal was due to commence in May. This would include a portal for consumers which would provide self-service advice triage. He reiterated that throughout the process, consumers would be offered the option of direct contact via the telephone. Discussion was held on the cost impact of consumers using alternative methods to initiate contact. The Head of Service confirmed that any benefits would take time to materialise.
30. He explained that the rollout would also include a lawyer portal which would provide an easier way to communicate. This could cut turnaround times when providing and sharing evidence.
31. Discussion was held on the equality impact assessment implications. The Head of Finance recognised that there would be communities who would prefer to make contact via the telephone and confirmed that signposting would enable this throughout the process.
32. Discussion was held on the future performance framework, measures and targets. The Chair confirmed that Michael Kaltz would be the Board member leading on the performance and quality. The Head of Finance confirmed that he would be meeting Michael Kaltz outside of the committee to discuss this work in more detail. Members agreed that a more nuanced set of performance measures were required.

## **Item 7 – Complaints Volumes Update**

- 33.** The interim Chief Ombudsman updated new members on the research undertaken to identify the root cause of the downward trend in the volume of incoming complaints received. She explained that this issue highlighted the gap that currently exists in the organisation’s capacity and capability to gather and analyse intelligence both proactively and responsively. Work was continuing with the interim Head of Policy and Communications to further develop this.
- 34.** Members agreed that the internal data analysis and potential mining of external resources would be very important.
- 35.** It was agreed that the interim Chief Ombudsman would update the Board on progress at the October OLC meeting.

### **ACTION:**

- **The interim Chief Ombudsman to update the October OLC Board on progress.**

## **Item 8 – Structural Review**

- 36.** The interim Chief Executive updated members on the current position in regard to the review of structure. He reported this had been discussed at both the OLC Board and RemCo meetings in March. He explained that some of the proposals were being re-examined and the proposition was therefore evolving.
- 37.** Members agreed that work would continue to progress this and requested regular updates from the interim Chief Executive outside of Committee.

### **ACTION:**

- **The interim Chief Executive to continue the work to review the structure.**
- **The interim Chief Executive to update members outside of Committee.**

## **Item 9 – OLC Strategy and Business Plan**

- 38.** Discussion took place on the OLC Strategy and Business Plan. Members approved the document subject to the interim Head of Policy and Communications expanding the section on performance targets.

### **ACTION:**

- **The interim Head of Policy and Communications to expand the section on performance targets.**

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

39. The General Counsel presented her quarterly update to members.
40. Discussion was held on the Judicial Review cases. The General Counsel was asked to report back on any learnings or themes from these cases.

#### **ACTION:**

- **The General Counsel to report back to the OLC Board on whether there were any learnings or themes from judicial review cases.**

#### **Item 11 – Independent Service Complaints Adjudicator Annual Report**

41. Walter Merricks joined the meeting to present his final annual report as Independent Service Complaints Adjudicator, a role he had fulfilled since the inception of the service.
42. He outlined the process designed to enable consumers to raise service complaints. He reported that in his first year there were a large number of complaints. By the second year as the process was embedded, the number settled down. The process was changed in 2014 to enable Stage Two service complaints to be handled by ombudsmen.
43. He reported that he produces an external report on behalf of the Board to provide the necessary independent assurance to the Board on the service being provided by the organisation.
44. The General Counsel reported that Walter had undertaken a sample of Stage Two complaints and given a 'good' rating.
45. On behalf of the Board, the Chair thanked Walter for the five years he had worked with the organisation. During this tenure he had objectively assessed the service complaints and had left the function in a really good position for his successor.

#### **Item 12 – Legal Services Consumer Panel**

46. Members welcomed Elisabeth Davies and Marlene Winfield from the Legal Services Consumer Panel. Discussion was held on the role, objectives and vision of the Legal Services Consumer Panel.
47. Discussion was held on the joint working between the two organisations to date and the potential future opportunities for collaboration.

**48.** Elisabeth and Marlene invited members to meet them and other panel members outside of Committee.

**49.** It was agreed that the Legal Services Consumer Panel would be invited to another OLC Board later in the year.

**Item 13 – Any other business**

**50.** No items were raised.

**Next meeting**

**51.** The next OLC meeting would be held on Wednesday 10 June in Birmingham.