

**Minutes of the tenth meeting**

**Office for Legal Complaints (OLC) Board**

**Monday 19<sup>th</sup> April 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  
Tony Foster, member  
Rosemary Carter, member  
Brian Woods-Scawen, member

**In attendance:**

Adam Sampson, Chief Ombudsman  
Liz Shepherd, Operations Director  
Alison Robinson, Head of External Affairs  
Gary Garland, Deputy Chief Ombudsman  
Robert Hezel, Director of Finance and Business Services  
Steven Watson, Interim Programme Director  
Lesley Hancock, Head of Human Resources (item 12 onwards)

**Board Secretary:**

Andy Taylor

**Preliminary issues:**

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 Steven Watson, the new Programme Director, and those in attendance.
2. Apologies were received from Nicole Smith, whose presentation on NDPBs has been rescheduled.

**Item 2 – Minutes of previous meeting**

3. The minutes of the meeting of 22 March 2010 were approved.

### **Item 3 – Matters arising & action points**

4. The Board noted from Appendix B that a number of outstanding action points had been completed since the last Board meeting or were included within the agenda.
5. The Board discussed the content of Board minutes and agreed that it would be helpful for an executive summary of papers to be included within the body of the minutes in future.
6. The Head of External Affairs updated the Board on her work with the Consumer Panel on joint research opportunities and confirmed that further developments would be reported at a future meeting.

#### **ACTIONS**

- The Board Secretary to ensure that an executive summary is included in future minutes.
- The Head of External Affairs to provide an update on work with the Consumer Panel at a future meeting

### **Item 4 - Chair's update**

7. Following exchanges on the ways in which best use might be made of the time, experience and skills of Board members, the Chair confirmed that each Board member would be partnered with an executive to act as a point of contact for any informal advice and also to take a mentoring interest, particularly in the run-up to live operation. This was not intended to preclude other informal contact, or to replace appropriate full Board consideration of issues. It was agreed that both of the Committee Chairs would concentrate on the relationship with their key executive support. David Thomas would provide support to the Ombudsman team; Tony Foster to Finance and Business services; Mary Seneviratne to External Affairs and Margaret Doyle to Operations. The Chair and Chief Ombudsman would continue to develop and embed effective ways of working between the Board and the Executive team. It was agreed that the Board would reflect on the first year of operation after the July Board meeting.
8. The Board were advised that the Balanced Business Scorecard was being further developed to produce a suite of key performance indicators, which would be presented to the Board for consideration at the June Board meeting.
9. The Chair reported that she would be attending the LSB Board meeting in June with the Chief Ombudsman to present the first annual report. In view of this, the Chair asked for the "six monthly update letter" to be produced in time for this meeting rather than July as reported in the previous minutes.
10. The Chair drew attention to a recommendation made by the National Audit Office to the LSB which meant that that all future expenses claims must be supported by enclosure of rail ticket(s) and, where possible, a receipt. It was explained that a receipt often failed to evidence the date of travel and the destinations involved.
11. The Chair confirmed that an "away day" for the Board was being planned for January 2011, as discussed at the February Board meeting. The Secretary was asked to contact Board members to confirm a suitable date and to seek ideas for the agenda.

## **ACTIONS**

- The Head of External Affairs to draft a letter updating the Legal Services Board on key issues and progress in time for the June LSB Board meeting.
- The Board Secretary to contact Board members to confirm a date for an away day event in January 2011 and to seek ideas for the agenda.

## **Item 5 – Register of interest and hospitality**

12. A number of minor amendments were received by the Secretary at the meeting, these related to both the Board member and Ombudsman register of interest. The appropriate amendments would be incorporated into the next quarterly submission of the documentation.
13. The Board also discussed whether the published reporting of “interests” should be extended to other senior staff within the organisation. It was agreed that the register should record the interests of all ombudsmen as their impartiality needed to be capable of easy public scrutiny. It was agreed that the register should not extend beyond this.
14. The Board noted that no amendments to the hospitality register had been reported for the period 1<sup>st</sup> January 2010 to 31<sup>st</sup> March 2010 inclusive.

## **Item 6 - Chief Ombudsman’s report**

15. The Chief Ombudsman’s report provided an update in respect of developments in the following areas; people, training, premises, IT and external affairs.
16. He confirmed that the organisations recruitment drive was now well underway with job descriptions being completed and roles within the Operations and HR divisions already advertised. The Chief Ombudsman also advised the Board that the permanent Executive Management Team was now in place and gave an update in respect of the recent recruitment open days.
17. He also confirmed that the procurement process for a staff training provider has been completed and a partnership between Northumbria University and Queen Margaret University had been recently approved. The Board endorsed the partnership.
18. In respect of premises and IT, the Chief Ombudsman reported that the organisation had now engaged with the design and fit out providers and detailed plans were being discussed. The IT contracting team was now based on site and commitment to the final IT contract was expected to take place shortly. The Board sought, and were given, assurance that security was being taken fully into account in the discussions related to possible offsite scanning.
19. Finally, the Chief Ombudsman updated the Board on the successful formal opening of the new office space within Baskerville House by the Parliamentary Under Secretary of State for Justice and outlined a number of engagements that he had attended since the last Board meeting.

### **Item 7 – Transition planning**

20. The Chief Ombudsman reported that recent focus had been related to the functions of the OSLO, with the MoJ continuing to work on the way forward. The LCS had recently reported good progress in completing work in hand and it was reasonable therefore to plan for a smaller volume of work than had been expected being transferred to OSLO at the close of operation, if this were the approach agreed.

### **Item 8 – Finance report**

21. The Director of Finance and Business Services presented the regular monthly report, drawing attention in particular to the project cost schedules. It was noted that budgets had been approved up to and including August 2010, however additional expenditure (approximately £1.3m) had been identified to cover the expected start date (subject to Parliamentary approval) at the beginning of October 2010. Further delay would place severe strain on the budget.

22. There was discussion on the figures which provided assurance on the IT and premises costs, noting also that the rates on floors 5 and 6 were not required until the office space was in use.

23. The Board were advised that financial scenario and contingency planning continued to be undertaken by the Executive and a report would be made available at the next meeting. It was agreed that Tony Foster and Brain Woods-Scawen would provide support to the Executive if required.

#### **ACTIONS**

- The Director of Finance and Business Services and Director of Operations to continue with contingency planning and incorporate an update to the Board at the May meeting.

### **Item 9 – Performance against business plan**

24. The Board were advised that the Commencement Order remained an area of risk due to the election impacting upon the Parliamentary timetable. There had been some rescheduling of work on premises and on equality and diversity matters. These were being managed and the Board would provide an update in respect of equality and diversity at the May meeting.

#### **ACTION**

- The Executive to provide the Board with an update on equality and diversity matters at the May Board meeting.

### **Item 10 – Risk**

25. The Chief Ombudsman presented the Programme Risk Register and advised the Board that a Corporate Risk Register was also in development. The Board noted that the majority of risks identified on the document were either in a stable or declining state, with the exception of two areas (premises fit-out and commencement order timing) where risk had increased. It was anticipated that the risk level in both items would reduce in the near future.

### **Item 11 – Update on Annual Report developments**

26. A meeting had taken place with the external auditors (NAO) to confirm the timetable leading up to the signing of the final accounts. This would take place in consultation with the Audit and Risk Committee. The timetable also included the submission of necessary documentation and information to formulate a draft version of the main Annual Report. A draft version of this document would be made available at the next Board meeting with a final version presented to the June Board meeting.

#### **ACTION**

- The Board Secretary to include the Annual Report as an agenda item for both the May and June Board meetings.

### **Item 12 – Report from Committees**

#### **Audit and Risk Committee**

27. The Chair of the Audit and Risk Committee reported that after a slow start both internal and external auditors were now giving the Legal Ombudsman the necessary attention. This year the Audit and Risk Committee would only receive the final audited accounts immediately prior to the June Board meeting. The Committee Secretary had already contacted representatives from both KPMG and NAO to put in place a more practical timetable for the 2010-11 financial year. The Committee Secretary was also developing an annual timetable of meetings and business for the Committee in 2010-11.
28. The NAO had presented their external audit strategy and verified that the balance sheet was considered to be appropriate. KPMG had presented their internal audit findings on the organisation's financial controls to date and no major concerns had been raised. A second report relating to internal governance was yet to be received from KPMG.
29. The Board were advised that a Statement of Internal Control (SIC) template had been developed and approved by the Committee. The Executive was presently completing the document and once this had been undertaken, a formal discussion would take place with the Chair of the Committee.
30. The Chair also reported that Audit and Risk Committee members and internal and external auditors would meet without the executive present as part of the June Audit and Risk Committee meeting. It was planned that the Committee Terms of Reference would also be reviewed at this meeting.

#### **RemCo**

31. The Chair of RemCo presented an extensive report on the work of the Committee and the people workstream to date. The report set out:

##### **Activity of the Committee**

- The Remuneration Committee had met on 8 occasions since July 2009 and the workload had been particularly heavy due to the nature of the task involved in setting up a new organisation. Much of the work to establish the remuneration policies has been carried out by Towers Watson (previously Towers Perrin) and

consultants from Towers Watson had engaged directly with the Remuneration Committee so that members have been able to hear advice at first hand.

#### Organogram, job roles and job descriptions

- The Executive team have developed the overall Organogram for the organisation and also developed job descriptions and person specifications for each of the roles. The Remuneration Committee had provided advice to the Executive, and in particular provided considerable input into two major roles: investigator and assessor.

#### Reward Strategy

- The principles of reward and an employee deal have been developed by the Executive in partnership with Tribal and were agreed by the Remuneration Committee. The principles emphasise that reward should attract the right people, be fair and equitable, and enable a learning culture.

The Board noted and agreed the principles of the Reward Strategy

#### Levels, pay policy & pay ranges

- Towers Watson had proposed a tiered staffing structure for the Legal Ombudsman of Executive plus two further tiers divided into 5 levels A-E. The report outlined the different approaches to pay taken for each of the proposed tiers. Ranges for tier 2, which are largely managerial and professional roles, were set by market data allowing for the recruitment of a spectrum of professional roles with varying pay expectations related to the specialised skills required for these roles. The tier 3 roles will be mainly populated by assessor, investigator and administrator roles and emphasis was on progression through levels within the competency model.
- The report made clear that final approval of pay ranges could not be made until the MoJ approves the pay remit for the Legal Ombudsman as agreed in the Management Statement. The Executive, supported by Towers Watson, would prepare a pay remit for approval by the MoJ and this was to be completed before the end of May before appointments are made.

The Board noted and agreed the principles of levels and pay policy and that the Executive are to finalise the pay remit proposal.

#### Fixed and flexible benefits structure: core benefits

- A core group of benefits will be available to all staff, predominantly from a salary sacrifice mechanism, including pension, holiday, group income protection and lump sum life assurance. It was expected that core benefits will be implemented for the autumn of 2010 to coincide with the majority of staff recruitment. Employees will have access to an additional benefits "pot" of 3% of salary which may be used by salary sacrifice to provide a range of additional flexible benefits. The flexible benefits will be finalised in consultation with staff and will be implemented in time for the 2011-12 financial year.

The Board noted and agreed the fixed and flexible benefits structure, subject to the Executive finalising and including details in the pay remit submission.

#### Resourcing

- The resourcing strategy has been agreed by the Executive in conjunction with Tribal and the Remuneration Committee appraised of the principles being adopted. The first selection centres will begin in May and initial appointments are expected from July onwards, depending on the candidates' notice period.

#### Contracts of Employment

- Two versions of the Contract of Employment have been produced; Exec and band A and bands C – E. The Exec and band A contract includes an automatic opt out from the European Working Time Directive.

#### Talent Management

- A competency model has been developed based on research interviews conducted with staff at the Legal Ombudsman and best practice interviews at other Ombudsman schemes, notably tOSL and FOS. EMT subsequently approved the competency model which will be rolled out as part of the selection and recruitment process. A performance management system linking the competency model to pay progression is in the process of being developed.

#### IT requirements

- The requirements for a suitable HR system are being developed with input from Tribal. These requirements will be translated into a further stage of development and integration with the existing IT workstream in due course.

32. The Board were advised that the reward strategy information contained within the report was illustrative at this stage. In addition to this, following an initial assessment of applications received to date, a good spectrum of transferable skills from prospective candidates for roles was felt to exist. This has given the Executive a degree of confidence that recruitment aspirations would be met, however, the Board were reminded that confirmation of the Commencement Order was required before any offers of employment would be issued.
33. The Board noted an absence of a specific role within the organogram relating to equality and diversity. While this was to be embedded in the organisational culture, a member of the Ombudsman team had been identified to take the lead on this and to act as senior 'Champion'. Whether other identified posts would be needed was still under consideration.
34. The Board suggested that a visible process for "talent management" should be made developed to identify and nurture staff development. In addition to this, the Board asked for a summary of job descriptions to be circulated as soon as possible.
35. The Board thanked the Chair for presenting such an extensive report on the key staffing developments to date.

**ACTION**

- The Head of Human Resources to develop a summary of all job descriptions as soon as possible to forward this information to the Board Secretary for distribution to the Board members.
- The Executive to develop an appropriate talent management policy, reporting developments to the Board as appropriate.

**Item 13 – Access to information**

36. The Board received and agreed the tabled “Access to Information” paper which included the organisations Freedom of Information Act publication scheme.

**Item 17 – Future agendas and any other business**

37. The Board agreed that future agenda items should include the following items of business;
- presentation of the draft and final annual report (May and June respectively)
  - a private session for Board members to discuss Board performance (July)
  - a report on developments following the “go live” date (October)
  - agenda for the Board “away day” in January 2011 (July)

38. The Board were reminded that September would be a significant month in respect of training new staff. It was agreed that Board members might attend parts of the training as well as giving formal input to some sessions.

**ACTION**

- The Head of Human Resources to provide the Board Secretary with details of planned staff training sessions for communication to Board members as soon as possible.
39. Members noted that the next Board meeting would be held on 17 May 2010 commencing at 11.30am at Baskerville House in Birmingham.

Andy Taylor  
Board Secretary  
28 April 2010