

<i>Meeting</i>	OLC	<i>Agenda Item No.</i>	5
		<i>Paper No.</i>	91.3
<i>Date of meeting</i>	17 October 2018	<i>Time required</i>	15 Minutes

<i>Title</i>	<b>Executive Report</b>
<i>Sponsor</i>	Rob Powell, Chief Executive and 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 key issues arising since the September Board meeting.</p> <p>Financial issues are covered in the finance paper.</p> <p>The Q2 strategic performance update, including KPI tolerances, and the quarterly Modernising LeO update, and CMC transition are separate items on today's Board agenda.</p> <p>This paper provides a consolidated executive view, comprising separate reports from the CEO and Chief Ombudsman, supported by a summary of our meetings with key stakeholders, as set out in <b>Appendix 1</b>.</p>
<b>Recommendation/action required</b>
Board is asked to <b>NOTE</b> the issues highlighted in the paper.

17 October 2018

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## Chief Executive and Chief Ombudsman executive report

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### 1. Activity on Chief Ombudsman priorities

The Chief Ombudsman's focus continues to be on dealing with our challenges. As we fix or improve things, we continue to surface component elements of the issues, such as:

- we needed to improve the front end of the process; whilst we now have the right process, and people are now waiting less time, this has resulted in a bulk increase in outstanding assessments, as the pull through into investigations is not yet the smooth flow it needs to be; part of this is to secure the benefits of the Customer Assessment Tool;
- the continuing challenge in getting staff to fully adopt the shift in approach - highlighted by September level of closures and thus pull through, after steadily improving performance in August;
- differential performance between teams is still significant; and
- a high percentage of leaders across the business who are new in role.

We need to continue to:

- achieve a more balanced distribution of caseholdings by milestones;
- implement the further 'front-end' of the business process;
- address variable performance issues; build staff capability and develop appropriate structures to increase efficiency at a time of limited resource;
- mitigate, as far as we can, the impact of wider business challenges arising from dual running, transition of all casework to the new CMS before Microsoft applies the mandatory version 9 upgrade in January; and
- invest prudently in support, training and supervision.

### 2. External affairs update

**Appendix 1** summarises stakeholder meetings since the last OLC meeting. Wider stakeholder issues appear in the separate horizon scan paper. Key activity included:

- continuing to work with Legal Choices on the development of their website;
- setting up a stakeholder focus group with FOS on CMC transfer communications;
- publishing cybercrime guidance for the legal profession which has been picked up by legal press, commentators and regulators;
- running a number of very well-received courses and speaking events;
- we have continued to work with the SRA to understand if there are practical steps we can take to address the issues arising as a result of the changes which will allow solicitors to work in unregulated practices; and

- beginning the process of technical changes to Scheme Rules to remove CMCs.

### 3. IT update

One partial outage occurred this month lasting about an hour. It affected creation and attachment of documents in CMS because of issues applying a renewed firewall licence.

Work has continued to develop the Customer Assessment Tool. Its soft launch took place on 8 October. A hard launch, and Welsh Language version, is due in November.

Case transfer from CMS1 to CMS2 is progressing well. We remain confident that we will have either closed or transferred everything in CMS1 in good time for the technical work to commence on CMS1 decommissioning, avoiding the need to risks associated with the mandatory v9 upgrade if CMS1 is not decommissioned in advance.

Scheduled CMS2 enhancements are in train. Priorities such as the fix to support transfer of in-train cases and new dashboards are due this month before the change freeze.

Phase 1 of the BI/MI project is on track for phase one delivery by the end of November.

### 4. SIRO and GDPR update

We continue to have a strong security incident reporting culture. We will continue to communicate good practice, and report to ARAC.

### 5. Estates update

We expect the MoJ ALB moving into half of the first floor to arrive on 12 November.

### 6. HR update

#### Significant casework, sickness and turnover

The September annual sickness rate was 4.2%, with long-term sickness at 2.6%, both of which are similar to the comparable period last year. Annual voluntary turnover for September is 17.7% which is a slight decrease on the previously reported figure.

The team continues to focus on actively supporting performance improvement, with a high volume of ongoing casework. A new fixed term Assistant HR Business Partner joined the team on 8 October.

#### Recruitment

- A number of internal, fixed-term secondment campaigns concluded in September and we successfully appointed a Customer Experience Specialist, Operational Transformation Officer and three Development Team Leaders.
- We appointed two FTC L2 Ombudsman (one external and one internal), both starting on 1 October; our Pool Ombudsman campaign appointed five people, and the internal campaign for L1 Ombudsman concludes in early October;
- we have appointed a Research Lead (FTC maternity cover);

- an investigator campaign is underway; and
- active campaigns for Inbound Call Handlers (FTC) continue.

### **Reward & recognition – Celebrating success**

The mylifestyle platform (Edenred) launched as planned on 1 October, providing staff discounts, financial and money advice resources and, most importantly, the myrewards system which facilitates Instant Recognition awards. Q2 quarterly awards were issued at LeO Live on 9 October and the recipients have been separately communicated to Board.

### **Learning and development**

There was significant further internal learning and development, in particular on applying standards and telephone skills and induction. Four new investigators joined us on 10 September, three of whom were sandwich students from Birmingham City University.

## **7. Legal update**

We have circulated a legal update separately under legal privilege.

## Appendix 1 – list of key external meetings and events

<b>Date</b>	<b>Meeting</b>	<b>Scope/key issues</b>
14/09/2018	CEO, CO and OLC Chair attending six-way meeting with LSB	Performance, voluntary assurance, strategic issues, Board effectiveness review and 2018-19 budget
17/09/2018	CEO attending action learning set facilitated by Association of Chief Executives	Shared learning on leadership issues
21/09/2018	CEO meeting with Chris Davis of the Government Internal Audit Agency	Review progress against audit plan, discuss ICT infrastructure contract management and business continuity plan reports, and discuss scope of future audits
27/09/2018	CEO meeting with Robert Bridger of the Government Internal Audit Agency	To discuss issues that inform the ongoing stakeholder management internal audit
27/09/2018	CEO meeting with Kris Bush	Discussion of leadership development programme
28/9/2018	CO meeting with Dr Gavin McBurnie, Queen Mary	Discuss collaboration on research into satisfaction with Ombudsman
3-5/10/18	CO attending International Conference of Legal Regulators	Trust and Transparency - particularly relevant in light of SRA & other changes  CO speaking in session on Trust & Transparency
08/10/2018	CEO meeting with Lisa Commane, Senior Director of Business Improvement and Sarfraz Nawaz, Finance Director from Ofwat	General catch-up on shared issues
15/10/2018	CEO meeting with Neil Buckley, CEO of the Legal Services Board	Regular catch-up