

Sent by email only

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**LEGAL SERVICES
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Dear Wanda

OLC budget application for 2020-21

Thank you for submitting the 2020/2021 Budget Principles paper, which the Board reviewed carefully at its meeting on 26 November. I am writing now to provide initial feedback so this can be shared with your Board at its meeting on 28 November. Executive colleagues will write to confirm the finalised acceptance criteria in due course.

I should start by repeating the sentiments expressed by David and Matthew at your board meeting in October, and by us all at our recent board to board discussion with you, namely that the LSB has a strong interest, and indeed stake, in OLC's success. You will find no stronger supporter than us, once persuaded to the case.

This support will be particularly important as you seek to build consensus around what is by any measure a significant increase in funding for OLC. As I and colleagues have made consistently clear, OLC should have access to the resources it needs to do its job effectively. That extends to support for funding increases where the case is made out clearly, and in a way that enables us to help you persuade others that it is justified and will deliver identified benefits.

With that in mind, I have to report that the Board did not consider that the material we have received does in fact enable us to offer the support that would be required. I summarise below the areas in which we considered further explanation to be required:

- The paper does not fulfil the usual parameters of a business case in that it does not make a sufficiently clear link between the additional resources sought and the benefits to be delivered. This is a matter that will need to be addressed not just to satisfy the LSB but also, in all likelihood, to persuade others with a stake in the decision as to its merits. In addition, it would help contextualise the proposition by providing information to help understand the impact on the road map if the budget were to be increased by smaller amounts (such as 5% and 10%).

- In order to test assumptions on case volumes, I would be grateful if you could ask executive colleagues to provide data on how many new files have been created in the pre-assessment pool for the first six months of the financial year.
- The Board noted the proposed additional investment in staffing resource to support activity on extracting and disseminating intelligence and learning to the professions with a view to raising standards and preventing disputes. However, we did not consider the proposals to capture the ambition in this area that we and others would like to see (and indeed that might considerably strengthen wider support for increased resources). I know the OLC will be discussing this subject on 28 November and we look forward to seeing the outcome of these discussions reflected in the finalised application.
- In a similar vein, the Board did not gain a sense from the paper of a real focus on more transformational process changes that might take place in the future. I should add by way of contextual example that the Board had been made aware of OLC's intentions in relation to the mediation pilots.
- While supporting the plan to focus resources on the pre-assessment pool at present, the Board challenged the view that further efficiencies cannot be achieved at the investigations stage, particularly for medium and high complexity cases. In addition, the references in the document to the highest possible standards of quality raised a question in the Board's mind as to whether, for at least some cases, this bar might be set too high.
- While not directly related to the budget consideration, the Board was clear that an end-to-end KPI should start when the customer first contacts your service. It should be possible to separate those initial enquiries that lead to investigations from those which do not. We recognise that this may not be possible until you have modelled the current picture from the Advice, Support, Feedback and Guidance (AGFS) stage, which we see as a priority. However, it will not be possible for us to have full confidence in the road map to green until we all understand what is happening at the AGFS stage and how this impacts on the end-to-end journey.
- The Board was concerned about the high ongoing rate of staff attrition and the view that this is unlikely to change. As the new Quality and Feedback Model beds in, there is sustainable performance improvement, and as a result of initiatives to improve colleague engagement, the Board's expectation is that attrition will reduce.

The Board also wished to understand better the governance processes that had been applied to the application (and will be applied to future versions); for example, whether it had received detailed review from ARAC and whether it enjoyed the support of the whole Board. It would be helpful to have a clear understanding of the governance processes to be applied to the final proposals before they come to us in March for a decision.

Looking forward, I would encourage continued close engagement between our respective teams to ensure that we have all the information necessary to fully consider the finalised application.

Finally, I should say again that the purpose of providing this feedback is not to create hurdles or to second-guess for the sake of it. It is to help us generate the necessary confidence in the proposals that will enable us to support, and indeed defend, them with key partners – principally the Department – and stakeholders more widely.

Yours sincerely,

A handwritten signature in black ink that reads "Helen Phillips". The script is cursive and fluid, with the first letter of each word being capitalized and larger than the others.

Dr Helen Phillips
Chair