

NOTE OF SUPERVISORY BOARD MEETING HELD ON THURSDAY 28 FEBRUARY 2002

Present:

**Juliet Wheldon (Chair)
Lindsay Addison
Robert Aitken
Mark Blythe
David Brummell
Mike Fuhr
Martin Hemming**

**Rosemary Jeffreys
John Kempzell
Phillip Kent
Isabel Letwin
David Pearson
Roland Phillips
Chris Simson (Secretary)
Doug Walters**

Apologies:

**Isabel Letwin
Donald Macrae
Barrie McKay
Mike Thomas**

**Mary Esplin} item
David Wilson} 5**

1 MINUTES OF THE LAST MEETING: MATTERS ARISING

- 1.1 The minutes were accepted as an accurate record.
- 1.2 Notes on current action points are at Annex A.

2 CLIENT CARE

2.1 David Pearson reported that:

- The client care policy had been finalised and submitted to the Attorney General as part of the Framework/Business Plan bundle;
- Litigation Division's client satisfaction target was now established as 90-100%;
- Meetings had taken place between employment lawyers in Litigation and Advisory, and discussions had been held about co-location as part of the post-Birchams reorganisation;
- The new chargeout rates had been notified to clients (no major negative feedback had been received so far);
- Clients had been told of uncollected favourable cost orders. Most seemed to be prepared to take the 50%; some were not taking any at all. David was not aware of any clients pushing for more.

2.2 David identified further work in progress and actions to be taken forward:

- Follow-up on adverse costs (where there was a need to make payments this financial year);
- Service Level Agreements (SLAs): we needed to ensure these were in place by the end of the financial year;
- Before client care meetings, check with those on 'the grid'; after meetings, feed back. Finance as well as lawyers would be likely to have an interest;
- A slot on client care was being considered for the Agency induction training.

2.3 Following difficulties with the Serious Fraud Office, David had met Rosalind Wright, the SFO Director.

2.4 We had received some 'soft' feedback of dissatisfaction on the part of the Prison Service, which contrasted with what we were hearing from other sources and underlined the need to be alert to all feedback.

2.5 Juliet Wheldon said that in regard to the client, Litigation and Advisory should be like Siamese twins; and both should look for every opportunity to liaise closely with those in client Departments responsible for policy.

2.6 Rosemary Jeffreys reported that she, Amanda Jarret of COCAD, Barrie McKay and Peter Bennett, Leader of the Employment and Discrimination Team, Litigation A3, had seen Brian Cameron, the acting head of human resources at the Crown Prosecution Service (CPS), and Peter Clarke, his deputy, and discussed the delivery of employment Advisory and Litigation services. During the course of their conversation, Brian had commended the excellent service that CPS had received recently in both Advisory and Litigation. The TSol team had offered CPS a weekly 'surgery' with a litigator or advisory lawyer or both, depending on how much CPS would pay. Rosemary would write to CPS setting out the fees we would charge. She said that ideally she would like to quote a composite rate, rather than two different rates for Advisory and Litigation. A halfway house would be to have a TSol person based in CPS for three days a week; plainly, this person would need to have enough to keep him or her fully occupied. Juliet commented that such out housing might be the answer for some clients. The TSol team had also offered a seminar on 'How to use your lawyer'. This suggestion had been well-received.

2.7 Martin Hemming reported that the Advisory client satisfaction survey had gone satisfactorily, in that the responses were within the target band. Martin would analyse the forms, which would then be sent to Mike Fuhr (Mike F) to arrange their audit. Martin would report to the April meeting of the Supervisory Board.

2.8 The client care policy (SB (02) 07) was adopted by the Board.

Client Care Guidelines (SB (02) 02, circulated for 31 January meeting)

2.9 Robert Aitken reported that these guidelines had been promulgated in Litigation Division, and that Donald Macrae had done a note on how he thought the guidelines should apply in his Division. Robert, Donald and Martin would discuss in relation to their use in Advisory Divisions.

3 MEETING THE AGENCY'S BUSINESS OBJECTIVES

3.1 Mike F reported that the Framework Document and 2002/2003 Business Plan were with the Treasury, Cabinet Office and the Attorney General. There had been no feedback as yet. He thought that the Treasury had probably not yet had the chance to give the documents considered attention. David Brummell noted that the Attorney General would look at them that afternoon (28 February).

3.2 On the Corporate Plan, the original intention to supply a copy to the Attorney General by the end of the financial year was hopelessly optimistic. We would not be in a position for many months to do a proper Corporate Plan. The Business Strategy Unit, which currently did not exist even in embryo, was the right vehicle to prepare one. However, the Executive Board had agreed that a 'quick and dirty' aspirational Plan should be prepared by June.

3.3 There were what might be called three 'Delphic' measures of performance under consideration: one on internal quality control, the aggregate efficiency index, and the benchmarking of chargeout rates. Each was complex. Each might need to be handled externally, in discussion with consultants. Mike F intended to bring something less inchoate than the current drafts back to the SB. The measures would need to be in place by September, so that they could be run for at least six months in 2002/2003. Juliet commented that she would welcome feedback from Litigation on what file review procedures were in place and what members of the Division believed to be effective measures. Mike F commented that, as agreed at Elvetham Hall, to review 10% of total cases was excessive, but it was necessary for senior management to 'check the checkers'. Mark Blythe commented that the big issue in relation to these measures was external audit, which was difficult to achieve. Juliet noted that some Departments were conducting peer reviews. Mark was sceptical of the value of this. Juliet thought that it was at the least possible to audit the speed and helpfulness of advice. Robert said that we needed to begin by articulating what we do at the moment.

3.4 Rosemary asked about involving staff in the formulation of the Business Plan. Juliet commented that she would positively encourage taking the views of staff on any documents not marked Restricted.

4 RISK MANAGEMENT

4.1 John Kempself reported that the Systems Change Group had been renamed the Risk Management Group. He chaired it and the other members were Robert, Mike F, Martin, James Kellock, Kevin McGinty of the Legal Secretariat to the Law Officers (LSLO), Gary Murphy (Secretary), David Pearson, Arnold Ridout, Clare Sylvester, Stephen Wooler or Steve Watkins of the Crown Prosecution Service Inspectorate and Cliff Woolley.

4.2 The Group had met on 25 February [**Secretary's Note:** Gary Murphy sent the SB the minutes of this meeting on 1 March]. The Group had considered its Terms of Reference, particularly in relation to the Accounting Officer [**Secretary's Note:** also circulated by Gary in draft]. The group had discussed the draft risk management policy prepared for the awayday in May 2001, and would review all risk registers including LSLO and CPSI. There was a question over who would manage the Agency Risk register.

4.3 A large number of the top ten risks had been allocated to Anthony Inglese. They should probably be reallocated to the Executive Board, who would consider this at their next meeting on 19 March.

4.4 The stewardship report for directors was being redrafted.

4.5 Divisional risk registers should be formally reviewed in time to inform the production of the Business Plan (i.e. around September). This did not preclude looking at and amending them during the year.

4.6 Juliet noted that she was having a meeting shortly on monthly reports. The slot on risk issues was well worth keeping. Quite a few authors of reports currently ignored it. Juliet would like to make the monthly report shorter (and easier to compile) but comprehensive.

5 MONTHLY MANAGEMENT INFORMATION

5.1 John said that he was not proposing to include any more information in what was now a very comprehensive report. He would review the user friendliness of the report, including possible presentation of parts in colour.

5.2 John said that expenditure was significantly below budget; this was encouraging as income was also (commensurately) below. The figures did not take account of legal accruals in Litigation.

5.3 Litigation chargeable hours had increased substantially, and COCAD's case income was higher than anticipated.

5.4 The issue of DCMS recovery had been sorted out to some degree, but this had highlighted that the allocation of payroll costs was not accurate and needed investigation. Overall, we were heading for full recovery of our costs, thus keeping within the Vote.

5.5 The debt profile showed £6.5million outstanding, of which 70% had been so for less than 30 days. There were continuing problems with the Department of Trade and Industry (DTI), where John and Robert had been chasing Anthony Inglese and others. DTI were refusing to pay invoices where one item was queried. Robert noted that this was counter to the provisions of the SLA. There would be a meeting on Tuesday 5 March to seek to resolve the problems.

5.6 Staff in post numbers at 1 February were fairly steady, albeit above budget. There were considerable numbers of temporary administrative staff. Martin noted that there were five SCS staff in MoD Legal Adviser's, not four.

5.7 Capital expenditure was now sorted out by project; a significant underspend was expected for the year.

5.8 Prompt payment of administrative invoices had slipped by 1% in January to 99%. There had been a significant fall in the timely return of disbursement invoices, to 74%, and a purge similar to the current one on timesheets was required. Litigation had in the past requested a duplicate of the Payment Request Form, which might need to be revisited, although there were significant resource implications. In the longer term, John was hoping that invoices would be dispatched electronically.

5.9 Juliet stressed the need to clear basic tasks such as signing invoices, to avoid trouble later, and the receipt of another management letter from the National Audit Office (NAO) making significant criticisms. John Kempself would arrange for the NAO management letter of 8 February 2002, already copied to the EB, to be sent to the rest of the SB. It made depressing reading, albeit it was historic and the issues were being vigorously addressed.

5.10 Juliet noted the tight timetable for the production of 2001/2002 accounts.

5.11 Cliff Woolley would shortly minute Directors about end-of-year closedown procedures.

6 360-DEGREE FEEDBACK

6.1 Mary Esplin introduced this item, reminding the SB that the idea of 360-degree feedback had arisen in the context of Modernising Government and Civil Service reforms. We had met the centrally imposed requirement for all members of the Senior Civil Service (SCS) to receive 360-degree feedback by the end of 2001. It was in any case very useful information. The Supervisory Board would need to judge the cost-effectiveness of the exercise and consider whether it should be rolled out further, i.e. to staff below the SCS.

6.2 David Wilson of the consultants, the Development Partnership, distributed hard copies of overhead projector slides and drew attention to points of particular interest as follows:

- The new SCS generic competence framework had been used;
- This was primarily a personal self-development exercise, but we needed to ask what its significance was for the organisation;
- 42 SCS staff had been covered, and each individual got, on average, nine responses, which was good for exercises such as this;
- The response of those assessed was positive; the degree of follow-up (i.e. feeding back to the assessors what had been said) was a bit patchy;
- Strengths were making a personal impact and focusing on delivery (i.e. service to clients);
- Less good were learning and improving, giving purpose and direction, and getting the best from people;
- David Wilson had used a small policy department as a comparator, rather than benchmarking against other lawyers;
- Getting the best from people secured low marks across Whitehall;
- The results could not properly be compared with the private sector, where focusing on delivery would tend to be at the top, and they might score a bit higher at getting the best from people;
- Both clients and colleagues had given feedback;
- David had picked out the top and bottom 10 ratings. Customer service dimensions were very strong; the weakest marks were for 'people' dimensions, which reinforced the earlier message;
- The ranking of importance of 'people' issues varied significantly between the assessors and the assessed;
- The concept of 'emotional intelligence' underpinned work on SCS competences; this was based on the view that to be successful you need to achieve a balance of hearts and minds, and the former can be neglected. Self-awareness was important;
- Henley Business Centre had carried out research into effectiveness, which suggested that emotional competences were better predictors of achievement than intellectual and management competences. Mark observed that there was thus a dysfunction between what we are expected to do and what appeared to matter if this research were valid;
- We scored more highly on rational than emotional behaviours;
- We scored well on honesty and integrity and approachability;
- There was a misperception particularly at G5 about giving purpose and direction, which was thought to be a SB responsibility. Mark wondered whether this mattered much, as what we do, at least on the lawyers' side, is not hugely different across the organisation; we deal with clients' problems and charge them for doing so. Juliet commented that we could make a difference by being proactive. David Wilson said that giving purpose and direction could mean engaging the Team in a debate on how best to serve the clients;
- Mary said that particularly when the pressure is on, Team members needed an idea of the priorities of the team;
- David Wilson said that some leadership dimensions were less well-developed, and he had been struck by the concentration on casework delivery, especially at Grade 5 but also above, in managers' own perception. Mark commented that many at G5 do not manage. Doug Walters identified a tendency to go into 'DIY mode' when the pressure is on, failing to delegate and empower;

- There was some evidence of a long hours culture;
- Development needs in leadership, coaching and teamwork had been identified.
- There had been claims that resources were unevenly matched to meet workloads, within certain pockets of the Agency.

6.3 David Wilson added that to derive best value from the investment, the results needed to be brought back into existing management systems. The take-up of executive coaching was encouraging. Mark said that the results should be fed into Simon Denny's work programme. Doug said that in addition to training courses, we could benefit from short seminars from external speakers. Lindsay Addison mentioned Chris Keeble as a valuable speaker.

6.4 The intention was to evaluate the results and repeat the exercise in 18 months' time. Juliet said that she would like to see the exercise conducted annually for the SCS; Mary noted that this would be resource-intensive. Rosemary was concerned about any move to annual assessment, as she had requested feedback on the understanding that she would not trouble people again for quite a while.

6.5 Mark wondered whether the exercise, which currently had a developmental focus, could feed into performance assessment. On the whole the SB thought not.

6.6 David Brummell commented that he had found the 1:1 feedback very valuable. The need for such feedback might wither away eventually as people acted on what they were hearing.

6.7 The overall results would be disseminated to all those assessed.

ACTION: Mary Esplin

7 TRAINING AND DEVELOPMENT QUARTERLY REPORT (SB (02) 05)

7.1 Mary introduced the report. She drew attention to the [planned] management training, and noted that staff needed support from those above them. The SB had agreed to go ahead with the Simon Denny proposals. Mary would ensure that Simon saw the 360 degree analysis and spoke to the Development Partnership.

7.2 David Pearson said that Simon had already spoken to him about client care. Mike F had spoken to Simon about the delivery module, where the messages were those from the 360-degree feedback results.

7.3 Juliet thought that we ought to check that the training was getting everyone whom it should reach. The Personnel Group would monitor take-up. David Pearson said that a briefing note for managers would be helpful, giving the messages that should be conveyed in appraisal. Directors should lead on this.

7.4 There was a good deal provided in the In House Training programme and staff should use it, and the SB reinforce this message. For example, mediation training had been identified as something that should definitely be in the programme, but actual take-up of places on a mediation course had been disappointing. Everyone should look at the programme not only in terms of his or her own needs, but also the needs of staff. Mike F suggested that Divisional Training & Development Plans be used to monitor this.

7.5 There were underspends on training, on which Directors should keep an eye. Mike F wondered why training was not being taken up. Was it a lack of time, a lack of encouragement, or was it being squeezed out by central provision?

8 COMMUNICATION

Intranets

8.1 Mike F reported that Donald would be very grateful for continuing feedback on LION. Progress was pretty good, apart from some small problems on navigation. 'Push' mechanisms were being used in respect of information held on TSol Today, so that staff knew there was something to look out for. David Pearson commented that TSol Today needed to insert dates to show when information had been placed on it. It was noted that at present one person (Simon Lewis) was dealing with LION, TSol Today and the TSol website.

Voicemail

8.2 Mike F reported that The Agency was re-equipping with telephones that say that a Voicemail message is waiting. Everyone with Voicemail (which was virtually everyone in the Agency) would have a suitable phone by the summer. Guidance would be issued.

9 SECURITY (SB (02) 08)

9.1 The Security Committee had met and circulated a Policy. The sanctions for non-compliance had been implied but not specified. It was necessary to ensure consistency with the Staff Handbook.

9.2 The Policy was agreed. Mark raised the issue of double jeopardy – being 'caught' by the host Department and by TSol, but it was agreed that there was no alternative to this.

10 NON-EXECUTIVE DIRECTORS

10.1 The SB were content that Len Berkowitz (previously the leading corporate lawyer at Linklaters, then legal adviser to the Bank of England and currently advising Freshfields on strategy) be approached as the first non-

executive. Juliet commented that she envisaged a second being appointed in due course.

11 GOLDEN JUBILEE

11.1 There was a commemoration service on Tuesday 4 June. Two nominees from each Department were required by 11 March, and should be notified to Sir Richard Wilson's office via Juliet.

ACTION: Directors

12 NEW ARRANGEMENTS (SUPERVISORY AND EXECUTIVE BOARDS)

12.1 Juliet would welcome any comments.

ACTION: Directors

13 CHANGES AT LSLO

13.1 David Brummell was pleased to note the recent recruitment of Peter Cull, from Treasury Advisory Division, Daniel Denman from the Cabinet Office Legal Adviser, and Paul Bedding from the Office of Fair Trading.

13.2 Cathy Kennedy would be leaving LSLO on 15 March.

14 NEXT MEETING

14.1 The Board would next meet on **Thursday 28 March 2002** at 11.00 in the Lecture Theatre, QAC.

ANNEX A ACTION POINTS FROM RECENT MEETINGS

Client Care

- 1 ACTION: David Pearson** to rank the clients responding to the satisfaction survey by their significance to Litigation [6 September] [*This will be carried out in parallel with consideration of whether any adjustments are needed to the view of who are our major clients*].
- 2 ACTION: Rosemary Jeffreys** to circulate a paper about achieving better co-ordination between advisory Divisions and Litigation.

Finance, Planning and Personnel

- 3 ACTION: John Burnett** to report on progress following Hogg Robinson levying a transaction fee for hotel and travel bookings. (RSD (Helen Donnelly and Gillian Robson) were investigating alternatives). [18 May] [*Pilot of potential alternative supplier aborted, other options under consideration*].

Cross-fertilisation

- 4 ACTION: Directors** to consider if they wished to take up positions as non-executive directors on other Boards.

ANNEX B AGENDA ITEMS FOR FUTURE MEETINGS

Business Continuity	March 2002
Staff Appraisal timetable reminder	March/April 2002
Risk Register [every other month]	April 2002
Client Satisfaction (Advisory)	April 2002
Quarterly report on Training and Development	May 2002
Race Relations (Amendment) Act 2000	May 2002

CHRIS SIMSON