

Minutes of the Forty-Eighth Meeting of the Office for Legal Complaints

Remuneration and Nomination Committee

18 December 2019

Present:

Dr Jane Martin, Chair
Rod Bulmer
Elisabeth Bellamy

In attendance:

Rebecca Marsh, Chief Ombudsman (items 1-6)
Brendan Arnold, Director of Corporate Services (items 1-6)
Lisa Brazier, HR Business Partner (items 1-6)
Vivienne Garwood, HR Business Partner (items 1-6)

Apologies:

Marcus Passant, Head of Human Resources

Board Secretary:

Kay Kershaw

Item 1 – Welcome, apologies and conflict of interest

1. The Chair welcomed those present and introductions took place.
2. Apologies were **noted**.
3. The Chair changed the order of agenda items. The item on the Gender Pay Gap was brought forward to agenda item 6. The discussion on the operation of the new organisational structure followed as agenda item 7.
4. The Chief Ombudsman and Director of Corporate Services declared an interest in agenda item 7, the review of the operation of the new organisational structure. It was **agreed** that they would leave the meeting when this item was discussed.
5. There were no other conflicts of interest reported.
6. The Chair thanked the Executive and staff for their work in preparing the papers for the meeting.

Item 2 – Previous minutes

7. The previous minutes had been circulated to the Committee for review and comment prior to the meeting.
8. The Chair asked for the minutes to be amended to include an action for item 3, paragraph 9 about inviting staff to provide their feedback on the new appraisal process at a future RemCo meeting.

ACTION: Board Secretary to amend the previous minutes to include an action for the Executive to invite staff to provide their feedback on the new appraisal process at a future RemCo meeting.

9. RemCo acknowledged the advice received about the quoracy of OLC Committees which had assisted the Committee with the revision of its Terms of Reference. The advice had stated that, whilst the Legal Services Act 2007 permitted the OLC to regulate its own procedure, it mandated that the quorum of a committee or sub-committee must not be less than 3.
10. Following discussion, RemCo **agreed** that the second bullet point listed in item 6 paragraph 27 should refer to 'colleague satisfaction' and not 'customer satisfaction'.

ACTION: Board Secretary to amend the second bullet point listed in item 6 paragraph 27 to state 'colleague satisfaction'.

11. The Director of Corporate Services (DCS) confirmed that the 2019 pay remit had progressed in line with expectations and back pay had been paid to staff.
12. Having reviewed the minutes of the previous meeting held on 4 September 2019, the Committee **approved** them as an accurate record of the meeting, subject to the amendments listed above.

Item 3 – Outstanding actions from previous meetings and matters arising

13. The DCS reported that the new appraisal process was now rolled out across the whole organisation.
14. The new appraisal process was being used alongside more detailed 1:1's and 'side by side' discussions in Operations where Continuous Conversations took place in order to monitor performance and wellbeing, to coach and to capture learning and development needs.
15. The new appraisal process was possibly being used less in Corporate, where more informal, unrecorded discussions tended to work best. The DCS advised that he would be able to provide more detail at the next meeting in March.
16. RemCo asked the DCS to ensure that data was provided at the March meeting in order to provide assurance that the new appraisal process was being used consistently across the organisation and the extent to which the approach was valued and useful could be gauged.

ACTION: Board Secretary to update the forward plan to include an update on new appraisal process at the next RemCo meeting in March.

17. The Chief Ombudsman (CO) reported that since the outstanding actions paper had been issued, a decision had been made to redeploy the £35k released from the budget as a result of the non-payment of the 2018/19 KPI bonus into operational delivery.
18. RemCo **noted** the update on actions arising from previous meetings.
19. A detailed conversation took place about the wider context and cultural and people challenges before entering in to discussions on the papers provided for agenda items 4 and 5.

20. RemCo asked that more time was allocated for future meetings in order to ensure that agenda items were properly considered and discussed.

ACTION: Board Secretary and DCS to ensure that more time is allocated for future meetings.

Item 4 –HR Update

21. The DCS presented a paper updating RemCo on HR matters and advised that this paper would be superseded by the People Plan in March 2020.

22. RemCo provided feedback on this paper, advising that it required more strategic focus and, as previously requested, it should have all the main issues highlighted in the executive summary.

23. RemCo was pleased to see the emergence of green shoots in regard to annual voluntary turnover, which had dropped for the second consecutive month, and was encouraged to see that the HR interventions that underpinned recruitment and performance management were having a positive impact.

24. RemCo noted the information provided on tenure and turnover, as requested by the Board at its meeting on 28 November 2019.

25. A request was made for the data on recruitment for waves 4 and 5 to be set out in table format and circulated to Members out of committee and for future updates to be provided in table format.

ACTION: Head of HR to circulate the data on recruitment for waves 4 and 5 in table format to RemCo out of committee and to ensure that future updates are provided in table format.

26. The CO reported on the potential impact of a recruitment campaign being undertaken by the Financial Ombudsman and how, as set out in the People Plan, the organisation would need to ensure that it was sufficiently resourced in order to achieve its objectives.

27. HR Business Partners continue to manage sickness absences in line with the Attendance Management Policy. Levels of sickness absence were highest in Operations, with just under half being long term absences. This contrasts with Corporate, where sickness absences are much lower.

28. The CO reported on a successful HR intervention that resulted in a member of staff returning to work after periods of sickness absence and going on to achieve significantly high levels of performance.

29. RemCo acknowledged the amount of work being undertaken to manage sickness absence and thanked those staff involved in this work.

30. A discussion took place about the practicality of RemCo reviewing the Attendance Management Policy in Q4 in light of work currently being undertaken to review the implementation of policies.

31. It was **agreed** that RemCo would wait to conduct the review of this policy and any other policies within its remit until the policy implementation review had concluded. In the meantime, the Chair asked the Executive to identify all the

policies RemCo would need to review for assurance purposes once this work had concluded and to provide this information at the next meeting in March.

ACTION: Board Secretary to update the forward plan to include a schedule of RemCo policies for presentation at the March 2020 meeting.

32. RemCo discussed the outcome of a recent employment tribunal, the positive comments made by the judge about the organisation and how they might be communicated more widely.
33. The Committee **noted** the HR update.

Item 5 – People Strategy and Plan 2020/23

34. The DCS presented the draft People Plan 2020/23. He explained that the People Plan would be finalised in the New Year and would be presented at the March Board, along with the 2020/23 Strategy and Business Plan and 2020/21 Budget for OLC approval before it is presented to the LSB for final approval.
35. A detailed discussion took place in which RemCo provided feedback on the People Plan and recommendations were made for improvement.
36. The DCS confirmed that the People Plan would be revised and the feedback would be considered carefully as part of the update.
37. The DCS said that if there was sufficient time, the updated People Plan would be re-circulated out of committee for information and comment before its final submission to the Board in March.

ACTION: The DCS to circulate the revised People Plan to RemCo out of committee before its final submission to the Board in March if there was sufficient time to do so.

38. The Committee **noted** the People Strategy and Plan 2020/23.

Item 6 – Update on Gender Pay Gap

39. The HR Business Partners advised that there was currently nothing to report on the Gender Pay Gap and that an update would be provided at the RemCo meeting in March.

ACTION: Board Secretary to ensure that Gender Pay Gap is added to the forward plan for the March 2020 meeting.

Item 7 – Review of the operation of the new organisational structure

40. The Board Secretary provided a paper setting out background information to assist RemCo in fulfilling an action arising from the 2018/19 Board Effectiveness Review, in which the Committee was asked to consider the operation of the new structure and report back the Board, with ARAC input about its assurance on the management of strategic risks and internal control more generally.
41. Before leaving the meeting, the HR Business Partners provided their insight on the impact of combining the CEO and CO roles on employees and how it had led to a direct shift in Corporate staff being held to account.

42. The CO and DCS also provided their insight on the organisation before and after the CEO and CO roles were combined and the impact that had been seen since the roles were combined.
43. The HR Business Partners, CO and DCS left the meeting at this stage to allow Members to speak privately and in detail.
44. The Chair explained that she had spoken in private to both the CO and the DCS to discuss their views on the new organisational structure and that she had also written to the Chair of ARAC asking for his views on the management of risks and internal control more generally. The Chair of ARAC had responded and a copy of his letter was distributed.
45. Members discussed in considerable detail their views on the operation of the new organisational structure and comments were noted by the Chair.
46. A confidential note of this discussion was recorded.
47. Following discussion, the Chair explained that she would set out the conclusions of this discussion, along with the views provided by the Chair of ARAC in a report to the OLC Chair for further discussion by the Board at its meeting in January 2020.

Item 8 – AoB

48. The Chief Ombudsman and DCS were not present for this agenda item.
49. RemCo reported that it wanted sight of the final report on the review of policy implementation when it was available and the opportunity to input into any actions arising from it.
ACTION: The Executive to ensure that the final report on the review of policy implementation is shared with RemCo and that the Committee has an opportunity to input into any actions arising from it.
50. RemCo asked for the forward plan to be updated to include a joint meeting with Staff Council that been scheduled for 11 March 2020.
ACTION: Board Secretary to add the RemCo joint meeting with Staff Council to the forward plan.
51. Although the Committee understood the resource issues which pertained in January through March 2020, members indicated that they expected to see an updated draft of the People Plan at the RemCo meeting on 11 March, before its final presentation to Board.