

**Minutes of the Forty-second Meeting
Office for Legal Complaints (OLC)
Remuneration and Nomination Committee**

**Wednesday 13 June 2018
13:00 – 15:45**

Present:

Dr Bernard Herdan, Chair
Elisabeth Bellamy
Dr Jane Martin

In attendance:

Rob Powell, Chief Executive
Rebecca Marsh, Chief Ombudsman
Marcus Passant, Head of Human Resources
Alex Moore, Stakeholder and Public Affairs Officer – Item 3 only
Jack Stacey, Communications Officer - item 3 only

Observers:

Wanda Goldwag, OLC Chair
Vicky Pickles, HR Business Partner

Board Secretary:

Kay Kershaw

Item 1 – Welcome, apologies and conflict of interest

1. The Chair welcomed those in attendance.
2. There were no apologies.
3. The meeting was quorate.
4. A declaration of interest for agenda item 3 was noted for all staff present.

Item 2 – HR Update

5. Balanced scorecard update: The Head of HR presented the Balanced Scorecard and reported a reduction in voluntary staff turnover since the last report.
6. Turnover of staff leaving within their first year remained high. A number of new initiatives to improve induction training and support for new starters in their first year had been introduced to address this although probation periods can make turnover more likely among this group.
7. The implications of organisational and cultural changes on staff attrition were discussed.
8. The Committee acknowledged the turnover of graduates may be higher as they were likely to move on after time to develop their careers.
9. The Head of HR reported that more analysis around staff leavers was being undertaken to provide further insight.

10. Long term sickness rates remained consistent with previous reports. A sickness tracker was being used to monitor long term sickness. Following discussion, it was **agreed** that a breakdown of the number of staff on long term sick leave being paid by LeO and income protection would be reported in the balanced scorecard.

ACTION: The Head of HR to report the breakdown of the number of staff on long term sick leave being paid by LeO and income protection in future balanced scorecards.

11. Recruitment for operational roles continued.
12. The Committee **noted** the implications of the CMC transfer to the Financial Ombudsman on staffing and recruitment and noted the work being undertaken by HR in preparation for this.
13. Occupational Health: Following discussion, the Committee **approved** a proposal put forward by the Head of HR to reappoint an occupational health provider for a period of two years. It was **noted** that LeO's expectations on performance and requirements for management information and an early review of all reasonable adjustment cases would be clearly set out in the new contract.
14. The Committee **noted** the HR update.

Item 3 – Review of reward and recognition staff communications

15. The Stakeholder and Public Affairs Officer and Communications Officer presented a paper setting out a communications plan for the implementation of the new reward and recognition scheme, Celebrating Success.
16. The purpose of the communications plan was fourfold: to help the organisation to time its messages in respect of the prevailing LeO calendar and requirements of the Celebrating Success structure; to identify the best channels for each message; to direct the content of each message; and to identify which audiences were most appropriate for each message.
17. The plan had been scrutinised by a focus group of Team Leaders to ensure it was cogent, and could be delivered effectively.
18. Initial communications would introduce the Celebrating Success scheme to staff making reference to the organisation's values, behaviours and customer services principles, with further communications to be issued over a rolling period throughout the year.
19. The Committee **noted** the communications plan.
20. Following discussion, it was **agreed** that a stocktake of reward and recognition would be included on the agenda for the quarter three meeting where the Head of HR would table a paper providing assurance on the moderation process, including a breakdown of recipients by role, gender and ethnicity.

ACTION: Head of HR to table a paper at the quarter three meeting providing assurance on the moderation of rewards, including a breakdown of recipients by role, gender and ethnicity.

Item 4 – Annual review of Equality and Diversity trends

- 21.** The Head of HR presented a paper reporting on LeO's employee demographics as at 5 April 2018, which included information on protected characteristics and the number of employees who were pregnant or on maternity leave. Comparison had been made with the 2017 report and significant differences had been highlighted. Agency staff and Pool Ombudsmen were not included in this report.
- 22.** The percentage of women in LeO, although not significantly different to 2017, had increased to 69.2%. This would impact on gender pay gap reporting.
- 23.** The percentage of employees in the 31 – 35 age range had increased since 2017 by nearly 5% to 23.6%. Nearly a quarter of employees were in this age range and analysis found no clear reason for this change.
- 24.** A discussion took place around the implications for the organisation around maternity provision in light of the trends identified around gender and age range [REDACTED]
[REDACTED]
[REDACTED] **Fol Exempt S.36 (2)**
- 25.** Employees of Black and Minority Ethnic (BAME) origin made up over a quarter of employees (28.0%); an increase on previous years.
- 26.** The CEO reported that in light of a desire to understand whether there were any barriers to BAME progression to more senior roles in the organisation, he and the Head of HR had invited the MoJ's Project RACE team to work with BAME employees to investigate whether they had encountered any barriers to progression.
- 27.** No other significant differences between the 2017 and 2018 statistics had been found.
- 28.** No employees had declared that they identified with a gender other than the one they were designated with at birth.
- 29.** A discussion took place about provision for the different religious groups working at LeO.
- 30.** The Committee **noted** the trends identified in the 2018 review of Equality and Diversity.

Item 5 – Update on the time to change well-being agenda

- 31.** The CEO presented a paper providing an update on the well-being agenda.
- 32.** Having committed to the Time to Change campaign and developed an action plan in February 2018, a network of wellbeing champions had now been trained and were supporting the CEO and Head of HR in progressing their plans. Progress is to be measured through Pulse and civil service staff

surveys, and will be externally benchmarked through participation in the MIND well-being index which is included in the new Balanced Scorecard.

33. It was **noted** that the extent and scale of recent changes in the organisation, and the ongoing focus on improving performance and productivity, had resulted in challenges around well-being, resilience and workload. The results of the quarter one Pulse survey and verbatim comments reflected these issues, but also recognised the positive impact of the organisation's focus on well-being.
34. The Head of HR reported that the well-being agenda had been welcomed by staff and there were good conversations taking place about mental health.
35. In discussion it was **noted** that the Mental Health Champions were all volunteers and had not undergone any formal assessment to determine their suitability for the role.
36. The Chief Ombudsman commented that whilst Mental Health Champions provided important support to staff to discuss Mental Health issues and concerns, it was also important that they responded appropriately to any disclosures in order to help staff resolve their issues and move forward in a positive way.
37. The CEO highlighted the layers of subtlety that surrounded the well-being agenda in light of the need to improve performance.
38. The Committee **noted** the update on the time to change well-being agenda.

Item 6 – Pulse survey results

39. The CEO presented a paper setting out the results of the quarter one Pulse survey results.
40. The survey took place between 1 and 25 May immediately following the transition to the new business process and case management system introduced by Modernising LeO changes. This had been a time of significant change, during which there had been significant changes in roles and systems, and some snagging issues that had impacted operational staff. Further changes, including the introduction of the supervision model, had been bedding down at the same time. As such, the results of this survey may have reflected a particular point in time, although the CEO confirmed that the Management Team was not complacent about this and were reviewing the results of the survey in detail.
41. The overall engagement index score had fallen from 53% in October 2017 to 49.4%; as this was below the 60% KPI and 0.6% below the KPI tolerance threshold, it would be reported to the Board.
42. The qualitative comments responding to a request for suggestions for improvements were being analysed and would be discussed with the Management Team, Wider Leadership Team and Staff Council to establish priority actions.
43. Rather than action planning, the focus would be on engaging line managers about what they could do on a day-to-day basis to provide the right leadership during this period of intensive change in order to support delivery.

44. Whilst the results showed a significant deterioration in the two questions relating to organisational objectives, the actual scores were higher than those for other questions. The volume and pace of change, change management and specific changes such as investigators taking on assessment and the introduction of the supervision model, and the introduction of very different new objectives for operational staff in April were likely to have impacted the organisational objective results. The survey was seen as staff asking for a more settled and stable period to allow the changes to work effectively.
45. The scores for recommending LeO as a great place to work had improved; this may have reflected recent work on the Employee Value Proposition and there had been a small improvement in the question about the organisation inspiring staff to do their best, although absolute scores for both were low.
46. The qualitative comments covered a number of themes. Positive themes included the focus on well-being and workplace Mental Health, and improvement in top-down communication. Negative themes included the volume of change, specific changes (investigators taking calls and supervision), bottom-up communication and workloads. There were some excellent suggestions from staff which, in many cases, reflected or enhanced work already in train.
47. Informal feedback received on the question about being proud to work for LeO, indicated that staff had responded negatively because they were not proud to work for an organisation that was not achieving its Key Performance Indicators.
48. Members of Staff Council would be reporting on the survey results at the next LeO Live event.
49. A detailed discussion took place about some of the qualitative comments about the impact of the supervision model, hot desking and the pace of change.
50. The Chief Ombudsman reported that as soon as sustained organisational performance improvements were seen, performance would be less closely supervised. Individual staff working in the supervision model would earn autonomy based on assurance about case progression and quality. She highlighted the vital role that all line managers across the organisation had to play in actively managing the issues highlighted in the survey by working with their staff to help them understand the rationale for the changes and for driving service improvement.
51. The OLC Chair stressed the importance of having good technology to underpin the flexible working policy and ensure its success.
52. Following discussion, the Committee **noted** the quarter one Pulse survey results.

Item 7 – Update on operational staff morale following the introduction of the new ways of working

53. The Chief Ombudsman provided a verbal update on the morale of operational staff following the introduction of the new ways of working.

54. It was noted that the different cohorts faced different challenges and ways of working, and were all at different stages in terms of their morale and dealing with the new ways of working. Issues around performance and capability were being addressed and staff were being supported to ensure that they understood 'what good looked like' in order to raise standards. Positive outcomes from the new ways of working would be shared across the organisation.
55. Drop-in sessions held by the Chief Ombudsman had been successful. Staff had put forward some good suggestions to improve performance which would be introduced across the organisation.
56. The Chief Ombudsman reported that it was important that ideas put forward by staff were shared with the wider organisation in order to highlight that it was not just the management that was driving forward improvements.
57. A discussion took place about the Staff Council and the role it had in supporting the new ways of working. The Head of HR explained that the Staff Council was currently not representative of the organisational changes that had taken place and, as a result of this was not in the best position to support the changes. A refresh of the Staff Council was planned once new staff had settled in to the organisation. It was agreed that further discussions on the new ways of working and staff morale would take place at the September meeting when members of the refreshed Staff Council would be invited to take part in discussions.

ACTION: Board Secretary to update the RemCo forward plan to include a discussion on the new ways of working and staff morale at the September meeting where members of Staff Council should be invited to attend.

Item 8 – Annual update on the apprenticeship scheme

58. The Head of HR presented a paper providing an update on the delivery of the apprenticeship scheme over the last 12 months.
59. LeO currently has four apprentices who provide good levels of support in key areas of the organisation. All apprentices and their training providers had provided positive feedback on their experience of working with LeO.
60. The Head of HR reported that the organisation had plans to recruit three more apprentices, but as the organisation was close to using its apprenticeship levy funding, the training of any new apprentices would be funded by the organisation.
61. The Committee **noted** the update on the apprenticeship scheme and extended an invitation to the apprentices to attend a future RemCo meeting.

Item 9 - Update on the annual review of effectiveness of learning and development activities

62. The Head of HR presented a paper providing an update on the effectiveness of leaning and development activities during 2017/18.
63. A significant amount of learning and development had been procured and delivered in 2017/18; this had primarily focused on operational transformation and leadership development.

64. A wide range of additional training, including induction, mental health, plain English and mandatory training modules on Equality and Diversity and responsibility for information were also delivered. Training had been provided through a range of classroom and online training and delivered by internal and external trainers.
65. Additionally, a significant amount of classroom training had been undertaken at the end of the financial year to support Modernising LeO, the new case management system and new business processes.
66. The effectiveness of training was measured immediately after training by scoring delegate feedback. It was recognised that there was a need to track training outcomes some months after training had been completed. Overall satisfaction scores were high, although, as reflected in the HR balanced scorecard, Modernising LeO training had not been as high.
67. The Head of HR advised that, anecdotally, the aspiring leaders, mental health and induction training had been the most effective, but he stated that the impact of training was difficult to quantify.
68. During 2018/19 training would be prioritised working with the operational transformation hub around short-term and long-term effectiveness. HR would attempt to evaluate this training by assessing changes of behaviour and learning as a result of the interventions.
69. The learning and development plan for 2018/19 was well-developed and being finalised. It was closely aligned to the business plan. Following discussion, it was **agreed** that the 2018/19 learning and development plan, once approved by the Management Team, would be tabled for review at the September RemCo meeting.

ACTION: Board Secretary to add the 2018/19 learning and development plan to the RemCo forward plan for review at the September meeting.

ACTION: Head of HR to table the 2018/19 learning and development plan at the September RemCo meeting.

70. The Committee **noted** the update on the annual review of effectiveness of learning and development activities.

Item 10 – Policy review schedule

71. The Head of HR presented a paper setting out a proposal to revise the policy review schedule for policies owned by the Head of HR.
72. There were 18 policies owned by the Head of HR that were currently reviewed on an annual basis. The current review dates for most of these policies were set for 12 months after the last review date, but this did not take into account where policies were linked, where there may have been legislative changes which needed to be incorporated into policy or ensured an even distribution of policy review activity across the year.
73. To address this and to ensure a clear and consistent approach to the review of these policies, the Head of HR proposed that the 2018/2019 should include a scheduled review in line with organisation activities and priorities

and then from 2019/20 onwards, a themed group of policies should be scheduled for review by RemCo throughout the year.

74. Following discussion the Committee **approved** the changes to the policy review schedule as set out in the paper.

Item 11 – Policy approvals

75. A paper setting out a summary of recommended changes to four recruitment policies and the home working charter was presented by the Head of HR.
76. Following discussion, the Committee **approved** the recommendation to incorporate the selection policy, fair recruitment guidance, recruitment, selection and promotion policy, references policy and procedure into one revised recruitment and selection policy and to delete the home working charter as this has been superseded by the flexible working policy.

Item 12 – Review of flexible working policy

77. In November 2017, RemCo asked for a review of the flexible working policy soon after its implementation. The Head of HR presented a paper setting out feedback on the implementation of the new flexible working which had been gathered following a discussion by the Wider Leadership Team in May and the Staff Council in April.
78. Initial conclusions indicated that the policy had been very positively received by staff, was helping to improve the organisation's recruitment and retention, and was driving changes in behaviours.
79. The Chief Ombudsman reported that all operational staff and their Line Managers had been set clear performance objectives and understood that flexible working was not a right, but was earned subject to satisfactory performance. Line Managers were monitoring performance continuously and would consider withdrawing flexible working, if appropriate, for any staff experiencing performance issues.
80. Following discussion, the Committee agreed to the Head of HR's recommendation for ongoing monitoring of this policy to inform a further update to RemCo in quarter 1 of 2019/20.

ACTION: Board Secretary to add an update on the flexible working policy to the RemCo forward plan for review at the 2019/20 quarter 1 meeting.

81. The Committee **noted** the update on the flexible working policy.

Item 13 – Outstanding actions from previous meetings

82. The Committee **noted** the update on the actions outstanding from previous meetings.
83. The CEO advised the Committee that Staff Council meetings and LeO Live events were now arranged when required, rather than being scheduled far in advance. Attendance at these meetings by a member of the Committee was not essential, but if a member of the Committee was available to attend, they would be welcome to do so.

- 84.** Having established that four other RemCos may be interested in attending a RemCo to RemCo meeting, the Board Secretary agreed to proceed to schedule a date and arrange a meeting for the end of quarter two.

ACTION: Board Secretary to schedule a date and arrange the RemCo to RemCo meeting for end of quarter two.

- 85.** The CEO reported on a charity event taking place on 4 July and invited members of RemCo to attend.

Item 14 – Previous minutes

- 86.** Subject to some amendments to paragraphs 9 to 13 requested by the CEO, the minutes of the RemCo meeting held on 27 April were **approved**.

Next meetings:

25 September 2018, between 13:00 and 16:00.

12 November 2018, between 13:00 and 16:00