

Minutes of the Fifty Sixth Meeting of the Office for Legal Complaints

Remuneration and Nomination Committee

11 February 2021

Present:

Dr Jane Martin, Chair

Rod Bulmer

Elisabeth Bellamy

In attendance:

Elisabeth Davies, OLC Chair

Paul McFadden Chief Ombudsman

Sandra Strinati, Chief Operating Officer

Petrina Hoggan, Interim Head of Organisation Design and People Strategy (items 1 to 9)

Board Secretary:

Kay Kershaw (items 1 to 9)

Item 1 – Welcome, apologies, conflict of interest and matters arising

1. The Chair welcomed those present to the meeting.
2. There were no apologies.
3. There were no conflicts of interest reported.
4. The annual meeting between RemCo and Staff Council had taken place prior to this meeting.

Item 2 – Previous minutes

5. The minutes of the previous meetings held on 18 November 2020 had been circulated to the Committee for review and comment prior to the meeting.
6. The Committee **approved** the minutes of the RemCo meeting held 18 November 2020 as an accurate record of the meeting.

Item 3 – Outstanding actions from previous meetings and matters arising

7. RemCo **noted** the update on the actions arising from previous meetings.

Item 4 – People Performance Report

8. The Interim Head of Organisational Design and People Strategy (Head of OD) presented the People Performance report, drawing the Committee’s attention to the following points:
- Attrition: Attrition rates continued to improve; this could be attributed to improved staff engagement or the status of the current job market. Face to face exit interviews are to be re-introduced and would ensure that better data was captured on the reasons why staff left the organisation. This data would inform the Executive of any mitigating action that may be required to address staff attrition.
 - Sickness absence: The main reasons for sickness absence in January were Covid-19 and mental ill health. The Executive Team received regular updates on sickness absences related to Covid-19; this ensured that timely mitigating action could be taken when required. Interventions were being considered to alleviate mental health absences, including the recruitment of an additional cohort of Wellness Champions.
 - HR Casework: There were 90 active employee relations cases, this included 28 related to probation. Probation had been actively paused at the start of the pandemic but had now been reinstated. Absence management cases had reduced from 50 to 10. A HR case work management system was being developed; data from this system would be used to improve HR reporting. Managers were to be trained to use the HR case management system; this would reduce the number of enquiries being handled by the HR team.
 - Recruitment: A Policy Officer had been appointed and recruitment was underway for a Risk Manager and Equality, Diversity and Inclusion (EDI) Lead.
9. RemCo raised concerns that the focus of the People Performance Report had been more on HR performance metrics than People metrics and stressed that this report, and the HR Balanced Scorecard, should not be used to appraise the HR function.
10. In discussion, RemCo made the following recommendations for further improvement to the People Performance Report and Balanced Scorecard:
- The report should highlight the critical people related risks and areas of concern that impacted on organisational performance.
 - There should be more alignment between KPIs and PIs.
 - The report should be less operationally focussed and more strategically focussed.
 - More clarity was required on what action the Executive wanted RemCo to take in response to issues raised in future reports.

ACTION: The Head of OD to improve the People Performance report in line with RemCo’s feedback.

11. The COO reported on improvements that were taking place to upskill people managers to enable them to deal with the functional HR tasks which would free up the HR Team to focus on the strategic delivery of the People Plan and other aspects of their work.
12. RemCo **noted** the update on the People Performance Report.

Item 5 – People Strategy and Delivery Plan

13. The Head of OD reported on the People Strategy and Delivery Plan, highlighting the progress that had been made to date and the critical activity that was taking place. The following key points were made:
 - Project Charters were being developed for Executive approval. Once approved, they would ensure agreement on the work to be delivered and would assist with the prioritisation of that work. The initial focus would be on March deliverables. A Project Manager is to support this work to ensure that it moved forward at pace.
 - The HR Team was working on 3 workstreams: Job Design and Organisational Structure; Employee Relations, and Communications and Engagement.
 - The Operational Transformation Team was leading on the Performance and Training workstream and the project to develop Career Pathways. Competency frameworks were to be developed to assist staff in understanding what good performance looked like.
 - The People Plan was being delivered collaboratively with Operational staff. As such, operational demands and the consequent availability of operational staff would need to be taken into consideration and may impact on the ability to deliver aspects of the People Plan at pace.
 - The progress rating for of the 7 People Plan projects and workstreams was amber. It was expected that most of these projects and workstreams would be rated green at the end of March.
 - The transfer of pay roll from an external provider to an in-house function had been successful.
 - The HR Team had experienced some disruption due to Covid and was managing its priorities accordingly.
14. RemCo took assurance from the clear, robust project methodology that was in place for delivering the People Plan, welcomed the collaborative leadership and delivery approach being undertaken and acknowledged the critical role that the new, strengthened Executive Team would play in the leadership and delivery of the People Plan.
15. Concerns were raised about the volume of work to be delivered through the current People Plan. Recognising that the People Plan had been developed at a time when the organisation had different business objectives and risk, and considering that a new Executive Team was now in place and a new Business

Plan was being finalised, RemCo **agreed** that the People Plan should be reviewed and revised to ensure that it was appropriate for future business needs.

ACTION: The Executive to review and revise the People Plan to ensure that it would be appropriate for future business needs.

16. Considering feedback from Staff Council, the Chair stressed the importance of regular communications to keep staff informed of the People Plan priorities and to ensure that staff expectations were adequately managed.
17. RemCo reflected on feedback from Staff Council concerning the cultural alignment of Operational and Corporate areas of the business. Recognising that both areas of the business were of equal importance the Executive was asked to ensure that, when considering future business priorities, neither area was given a greater weighting over the other.
18. RemCo **noted** the update on the People Strategy and Delivery Plan.

Item 6 – Civil Service Survey Results

19. The headline results of the 2020 Civil Service Survey had been presented at the January Board meeting and at the joint RemCo /Staff Council meeting that had preceded this meeting.
20. In discussion, RemCo's attention was drawn to the following key points:
 - The survey score for managing leadership and change had increased by 16 points compared to the score in 2019.
 - A development programme for Operational Team Leaders was in place.
 - Staff had been significantly impacted by Covid, both in terms of mental and physical health and consideration was being given to interventions that could be put in place to support staff.
 - The number of staff that felt they had been discriminated against had fallen from 18% in 2019 to 11% in 2020.
 - A zero-tolerance statement was to be issued to all employees regarding harassment.
 - LeO has signed up to the Project Race project charter.
21. The Head of OD reported that a detailed analysis of the results, broken down by cohort and demographic, was being undertaken and would be presented to the Executive for consideration by the beginning of March. This analysis would identify themes and areas where interventions may be required and would be used to underpin future discussions with staff network groups.
22. The Chair advised that the analysis of the survey results should take into consideration the barriers to improving performance and the key risks.
23. RemCo was advised that the survey results would be matched to the People Plan.
24. The Executive reported on discussions with staff about the lack of career pathways and the implication of this on staff attrition. Consideration was being

given to developing a more holistic staff development programme; this would also take into account the development of emerging leaders. It was acknowledged that developing such a programme would require an investment of time, which would be challenging considering other organisational priorities.

25. Concerns were raised that the results of the 2020 survey may have been distorted by how staff had felt about the way they had been treated during the pandemic. It was therefore suggested that the results should be used to inform, but not drive any decisions that were made in 2021.
26. Recognising that the survey results were a snapshot in time for both LeO and the Civil Service, the Executive confirmed that a range of other indicators would be taken into account when making future decisions.
27. Consideration was being given to staff engagement on the survey results and the best approach to keeping them updated on the action that was being taken to address the findings.
28. Following discussion, RemCo **noted** the Civil Service Survey results.

Item 7 – Celebrating Success: Reward and Recognition Scheme

29. The Head of OD presented a paper setting out the 2020/21 Celebrating Success: Reward and Recognition Scheme that had been agreed by RemCo in March 2020 and an update, for assurance purposes, of the process that had been followed in administering that scheme.
30. RemCo was advised that, in line with the agreed 2020/21 scheme, instant recognition awards had been awarded to staff throughout the year but, due to budget constraints, the payment of quarterly awards had been paused.
31. Now that an interim budget had been received, RemCo was asked to consider a proposal to approve retrospective payments of the quarterly awards, along with the payment of annual awards and the end of year performance awards. A schedule of costs and criteria for each of these awards, along with dates for nominations and payment was included in the paper presented to the Committee.
32. Concerns were raised about the delay in paying the quarterly awards and Members stressed that in future, awards should be made as close to the point of nomination as possible.
33. RemCo **noted** that there was no provision for an all staff KPI award in the 2020/21 scheme.
34. Following discussion, members **confirmed** their assurance of the 2020/21 scheme and **approved** the proposal to pay retrospective quarterly awards, and **approved** the payment of end of year performance awards and annual awards in line with the schedule set out in the paper and subject to appropriate ED&I moderation.
35. The paper presented to RemCo, also set out proposals for the 2021/22 Celebrating Success: Reward and Recognition Scheme for the Committee's consideration. The proposals set out were similar to the 2020/21 scheme, but with the inclusion of an all staff KPI award.

36. RemCo discussed the merits of a reward and recognition scheme, commenting on the value that celebrating success awards had on organisational culture. There was some concern that the retrospective awards made through previous schemes had had little impact on incentivising staff to improve performance. It was therefore suggested that consideration should be given to basing the 2021/22 scheme on performance incentive awards. These could be paid to all staff, including senior managers, and awarded only as a consequence of achieving specific goals.
37. RemCo was advised that a review of LeO's pay and reward structure would be taking place in Q1 of 2021/22 as part of the People plan deliverables; this review would take into account the impact of pay and reward on performance and consider awards for senior managers.
38. The OLC Chair reminded the Committee that the Celebrating Success: Reward and Recognition Scheme had an external profile and that careful consideration would need to be given to any future scheme that was agreed.
39. The OLC Chair raised concerns about the proposal of an all staff KPI award as part of the 2021/22 scheme, not least because current performance forecasts indicated that there would still be an unacceptable backlog at the end of the year. Furthermore, the Board had not been made aware of any proposals for an all staff KPI award at the time it had agreed the 2021/22 KPI targets, consequently the Board had not considered the implications of the KPI targets in terms of an all staff award.
40. Considering the learning from the Reward and Recognition Scheme so far, RemCo's attention was drawn to learning on demographics. As there had previously been a lower number of nominations put forward for staff within the BAME demographic, it was therefore suggested that positive action in terms of numbers would need to be considered by the Executive in the future.
41. Following a detailed discussion, it was **agreed** that the Celebrating Success: Reward and Recognition Scheme should be re-evaluated as part of the wider review of the pay and reward structure under project 5 of the People Plan and proposals for a revised scheme should be presented for RemCo to consider at its next meeting in June.

ACTION: The Executive to review the Celebrating Success: Reward and Recognition Scheme as part of the wider review of the pay and reward structure under project 5 of the People Plan and proposals for a revised scheme should be presented for RemCo to consider at its next meeting in June.

ACTION: Board Secretary to add Celebrating Success: Reward and Recognition to the RemCo forward plan for June.

42. The Head of OD confirmed that:
- the budget for the 2021/22 Celebrating Success: Reward and Recognition Scheme would be ringfenced so that rewards could be made later in the financial year, once the new scheme had been approved by RemCo.
 - Staff Council would be invited to provide input into the development of the new reward and recognition scheme.

- Staff communications would be issued to update staff on the action being taken to review the 2021/22 scheme and to manage expectations on when awards would be issued.

Item 8 – Draft 2021/22 Equality Priority Objectives

43. RemCo considered a paper summarising 2021/22 Equality Priority Objectives (EPOs). In discussion the following key points were made:

- The EPOs felt more outward facing and consideration should be given to including one that was more internally focussed.
- The EPOs didn't adequately reflect or do justice to what the LeO Scheme was aspiring to do, either for its staff or customers.
- The EPO's needed to be linked to the 2021/22 Business Plan.
- The EPO's required input from staff network groups and the new EDI Lead, once they were in post.

44. Following discussion, it was **agreed** that further work would be undertaken to develop the 2021/22 EPOs in consultation with all staff network groups and with input from the new EDI Lead. The revised EPO's were to be presented to RemCo at its next meeting.

ACTION: The Head of OD to undertake further work to develop the 2021/22 EPOs in in consultation with all staff network groups and with input from the new EDI Lead and present the revised EPOs to RemCo at its next meeting.

ACTION: Board Secretary to add 2021/22 EPOs to the RemCo forward plan for June.

Item 9 – Review of Policies

45. The Head of OD presented a paper listing the policies that fell within RemCo's remit, advising that all policies were used on a regular basis and there was no immediate requirement for any of them to be reviewed. A schedule of policy reviews, to be undertaken in line with the People Plan, was included in the paper.

46. Following discussion at ARAC and RemCo a review of the Health and Safety Policy had been undertaken and recommendations were to be made to the Executive on communications to remind staff about Health and Safety and to ensure that Health and Safety was being dealt with in the right forum.

47. RemCo **noted** the update on policies that fell within its remit.

48. Considering the RemCo Terms of Reference, the Chair **agreed** that further thought would be given outside of the meeting to when the Committee next wished to receive and update on the policies that fell within its remit.

ACTION: The RemCo Chair to give further consideration to when the Committee would next want to receive an update on the policies that fell within its remit.

Item 10 – AoB

49. In private session, the CO and COO updated RemCo on an employment tribunal matter.