

Meeting	OLC Board meeting	Agenda Item No.	13
		Paper No.	107.8
Date of meeting	28 September 2020	Time required	20 Minutes

Title	Board Effectiveness Update
Sponsor	OLC Chair
Status	OFFICIAL

Executive summary
<p>In March 2019 the OLC Board considered the main conclusions along with a draft action plan relating to a Board effectiveness review which had been externally facilitated by Ed Nally.</p> <p>In October 2019, an Independent Review was completed by [REDACTED]. In this review the author included seven recommendations specifically relating to Board effectiveness. FoI Exempt s.40</p> <p>This paper provides the OLC Board with an update on both of these reports, setting out progress that has been made against each of the relevant actions and/or recommendations.</p> <p>Considering the actions has also provided the OLC Chair with a timely opportunity to reflect on wider issues around Board effectiveness. This paper therefore shares wider reflections from the Chair. These include:</p> <ul style="list-style-type: none"> - The focus and frequency of Board meetings (reformatting general meetings and supplementing with a Strategy Away Day and Board development half day). - Board development - Future of Board leads - Board member remuneration <p>These changes will be implemented over the course of 2020 and 2021 and following further discussions with non-executive members.</p>
Recommendation/action required
Board is asked to discuss.

Board Effectiveness Update

1. Introduction

1.1 In March 2019 the OLC Board considered the main conclusions along with a draft action plan relating to a Board effectiveness review which had been externally facilitated by Ed Nally.

1.2 In October 2019, an Independent Review was completed by [REDACTED]. In this review the author included seven recommendations specifically relating to Board effectiveness. FoI Exempt s.40

1.3 This paper provides the OLC Board with an update on both of these reports, setting out progress that has been made against each of the relevant actions and/or recommendations. These are included as Annex 1 and Annex 2.

1.4 Considering the actions has also provided the OLC Chair with a timely opportunity to reflect on wider issues around Board effectiveness, including the frequency and focus of Board meetings. This paper therefore shares wider reflections from the Chair which will be implemented over the course of 2020 and 2021 and following further discussions with non-executive members.

2. Focus and frequency of Board meetings

2.1 In 2019/2020 the Board held 10 meetings and these included 8 that were planned at the start of the year and 2 that were arranged on a more ad hoc basis and in response to budgeting and planning needs. ARAC met on 4 occasions whilst RemCo met 4 times.

2.2 Going forward it will be essential that the need for unplanned or ad hoc meetings is kept to an absolute minimum.

2.3 Board meetings, supported by Committee meetings, must first and foremost give the Board sufficient opportunity to fulfil their assurance role. In order to do this more dedicated time will be set aside within Board meetings – for example, the September 2021 Board meeting will include a dedicated half day on budgeting and planning.

2.4 The general format of future Board meetings will be:

- (i) Morning – Performance review and scrutiny.
- (ii) After lunch – Up to an hour with an external or internal contributor; presenting the Board with an opportunity to carry out a deeper dive into a specific issue and/or to develop and support the Board's understanding.
- (iii) After afternoon break – Focus on governance.

- (iv) End of meeting – Formal Board effectiveness review (more rigour will be brought to this by asking Board members to feedback on specific questions which will include feedback on the quality of the papers).

2.5 There will be seven core Board meetings held in 2021:

- January
- March
- April
- June
- September – half day on budgeting and planning
- October
- November

2.6 These will be supplemented by:

May 2021 – A Strategy Away Day

This will be a chance for the Board to come together with the new Executive Team and to reflect on more strategic issues including the development of a new OLC Strategy. Specific issues to be considered might include: Horizon scanning around demand; changes in the wider complaints and/or Ombuds sector; understanding regulated legal sector; reflecting on LeO's external and internal narrative; engagement with stakeholders and their plans and strategies for the future.

July 2021 – A Board development half day (see section 3).

2.7 The proposed Board and Committee Meeting schedule is attached as Annex 3.

2.8 The OLC Chair will review with each of the Committee Chairs the schedule for Committee meetings; particular consideration will be given to frequency of meetings and how they report into or respond to the Board meetings.

2.9 The OLC Chair will also work with the Board and the Executive on identifying and agreeing a 'new normal' for Board meetings in terms of location and the balance it should establish between face to face and remote meetings.

3. Board development

3.1 In July a Board development half day will be scheduled. This will be time for the Board to spend on its own, albeit likely with an external facilitator. Issues to be covered will include those picked up on in Ed Nally's review:

- Collegiate working; collective decision-making.
- Managing the Exec/Non exec divide.
- Getting to know each other better.

4. Future of Board leads

4.1 A number of Board members have asked for consideration to be given to the future of the Board lead roles. At the moment these include:

- EDI
- LSB Liaison
- SRA
- Whistleblowing
- Operational resilience

4.2 For each of these roles a small number of bullet points has been put together to provide a basic terms of reference.

4.3 The strengths of this approach is that it gives the opportunity to make best use of the pre-existing skills, experiences and expertise of individual Board members. However, it is unclear how these Board lead roles have been taken forward and they are understandably open to different interpretation. In addition some of these roles have been superseded by the creation of new structures (for example, the Quality and Performance Task and Finish Group) or new ways of working created through, for example, the commonly agreed dataset.

4.4 The OLC Chair is therefore proposing to end the current Board lead roles and replace them as required with a much more tightly defined Board sponsor role. Exact roles will be considered over the next few months and in collaboration with both the OLC Board and with the LeO Executive Team. The first role will be the EDI Board sponsor and Rebecca Hilsenrath has agreed to take on this. A role description will be developed, emphasising the value of a dedicated Board contact for the BAME Network and the expectation to ensure EDI issues are a consistent consideration throughout every Board meeting. This appointment will be supported by the OLC Chair's ongoing commitment to close engagement with the BAME Network, not least through the reverse mentoring received by the Chair of the BAME Network.

5. Board member remuneration

5.1 The timescales and process for the review of OLC Board member remuneration has been agreed with the LSB.

October 2020 – Annual appraisal of OLC Board members by OLC Chair.

October 2020 - OLC Chair starts review of NEM remuneration, drawing on benchmarking with comparable organisations, including whether Committee Chairs should receive an additional payment. Consideration will also be given to the role and value of a Senior Independent Member.

December 2020 - Draft recommendations/ a business case for change shared with the LSB.

January 2021 – Review of recommendations with LSB.
February 2021 – LSB Remuneration Committee meets.

Annex 1: Independent Review

<p>[REDACTED]</p>	<p>[REDACTED]</p>
<p>[REDACTED]</p>	<p>[REDACTED]</p> <ul style="list-style-type: none">■ [REDACTED]■ [REDACTED]■ [REDACTED]■ [REDACTED]■ [REDACTED]■ [REDACTED] <p>[REDACTED]</p>
<p>[REDACTED]</p>	<p>[REDACTED]</p>

Annex 2: Updated action plan from Ed Nally Review

Action	Responsibility	Timescale	Update	Chief Ombudsman update – 16 July 2020
Refreshing Board skills				
Develop annual Board development plan including collective Board development activities	Chair	July 2019	<p>Board to Board meetings with the LSB and BSB have resulted in closer stakeholder engagement and Board development.</p> <p>At the September 2019 Board meeting Board Members were asked to propose activities for possible inclusion in the Board's development plan. The following activities were discussed for future implementation.</p> <ul style="list-style-type: none"> • Spending time engaging with case work to gain a better in-sight on case work. 	<p>Refresh the understanding of customer journey – autumn.</p> <p>Lead roles – see letter.</p> <p>Need to do more on pre Board sessions and wider engagement (similar to NHS case study approach).</p>

			<ul style="list-style-type: none"> • Pre-Board meeting development sessions from time to time to gain in-sight on specific areas of the business. • Linking Board Members to specific areas of the business. <p>Update September 2020</p>	
Provide the two new NEDs joining in April 2019 with a quarterly check in conversation during their first year	Chair/Board Secretary	2019-20	<p>Quarterly telephone calls have been arranged for Shrinivas Honap and Rod Bulmer.</p> <p>Action completed.</p>	Revisit for new replacement
Develop a programme of more informal work for the Board to build a more collegial feel	Chair/Board Secretary	July 2019	<p>At the September 2019 Board meeting, Members were asked to propose activities for possible inclusion in a programme of more informal work. After discussion it was agreed that members would seek to</p>	Needs revisiting

			<p>meet up for informal engagement:</p> <ul style="list-style-type: none"> • Board Members attended a lunch on 28 November 2019. 	
Improving strategic focus				
<p>Allocate more time to strategy in Board forward programme, in particular to ensure the programme includes regular, clear time for dealing with significant strategic issues, including more frequent strategy workshop sessions/away days in the Board programme</p>	<p>CO/Board Secretary</p>	<p>June 2019</p>	<p>A discussion on the 2020/23 strategy will be taking place on 26 September.</p> <p>Further discussions took place at the October and November Board meetings.</p> <p>The changing nature of Board papers will ensure a more strategic focus.</p> <p>Action completed.</p>	<p>Suggest balance between formal Boards and informal exploration/discussion events</p>
<p>Private Board NED sessions to include consideration of duplication and assessment of quality of strategic narrative with a view to providing</p>	<p>Chair/Board Secretary</p>	<p>Ongoing '19-20</p>	<p>Regular discussions now take place at private NEDs sessions and feedback provided to the Executive.</p> <p>Action completed.</p>	<p>Chair to determine use of NED session</p>

constructive feedback to the new executive team				
Stakeholder engagement				
Achieve greater clarity about OLC stakeholders and targeted approaches to managing stakeholders by providing a bi-annual update on progress against the new stakeholder analysis/engagement strategy	Director of Corporate Services	September 2019	Bi-annual update added to the Board forward plan. September 2019 discussions will form part of the strategy discussion at the Board meeting on 26 September. Action completed.	Stakeholder strategy due for refresh when Head of Impact returns to permanent role – in interim, Chair is undertaking and feedback on introductory and maintenance visits
Use Board slots to invite stakeholders for strategic conversations, and develop a programme of such conversations that include the regulated communities	Chair/CO/Board Secretary	May 2019	The External Affairs Team Leader is working on a programme for stakeholder attendance at future Board meetings.	External Affairs Team Leader to liaise with Chair in relation to future stakeholder attendance at board meetings.
Ensure NEDs are aware of opportunities to join	Board Secretary	Ongoing	Board members attended a Board to Board meeting with the LSB on 22 July 2019.	

the Chair at stakeholder meetings			<p>Work is underway to arrange more frequent Board to Board meetings with the LSB.</p> <p>A Board to Board meeting with the BSB has been arranged for 7 July 2020.</p> <p>A calendar of external engagements is to be circulated to NEDs. NEDs wishing to attend any of the events should notify the Board Secretary.</p> <p>December Update: A schedule of Q4 external engagements and events was circulated to the Board on 30 December 2019.</p>	
Performance management				
Enhance reporting of forecast performance to the Board, and invest in improving the presentation of performance data to	DCS/CO	Q2 report	Reporting has been enhanced and continues to be developed in line with feedback from the Board and external stakeholders.	The Performance & Quality Group was tasked with reviewing this issue in depth.

enhance strategic performance conversations at Board			Action completed.	
Operation of the Board				
Develop a SharePoint site or Board portal for the management and distribution of papers and cease sending papers to NEDs who are happy to work with soft copies	Board Secretary/Head of IT	September 2019	SharePoint site has been set up. With effect from July 2019, all Board and Committee papers are now uploaded to this site for Board Members to access. Action completed.	Complete.
Structural assurance				
RemCo should consider the operation of the new structure in Q2/Q3 and report back to Board, with ARAC input about its assurance on the management of strategic risks and internal control more generally	Board Secretary/Rem Co and ARAC Chairs	December 2019	The operation of the new organisational structure has been added to the RemCo forward plan for the Q3 meeting on 6 November 2019. September update: This meeting has been rescheduled for December 18 th .	New RemCo ToR and structure revised.

			<p>December update: At its meeting on 18 December, RemCo discussed and considered the operation of the new structure, taking into account the written input about the assurance of the management of strategic risks and internal control more generally, which had been provided by the Chair of ARAC at the request of the RemCo Chair. Having given this matter full consideration, the Chair of RemCo is to write to the OLC Chair with the Committee's findings. This is to be further considered at the January 2020 Board meeting.</p>	
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Annex 3: Schedule of Board meetings and away days

2021 Board and Committee Meeting Schedule			
Month	ARAC	RemCo	Board
January			Board Meeting
February		RemCo Meeting	
March	ARAC Meeting		Board Meeting
April			Board Meeting
May	ARAC Meeting		Board Strategy Away Day
June			Board Meeting
July	ARAC Meeting	RemCo Meeting	Board Development Session
August			
September			Board Meeting
October	ARAC Meeting		Board Meeting
November			Board Meeting

December		RemCo Meeting	
2022 Board and Committee Meeting Schedule			
January			Board Meeting

Annex 4: Board Forward Plans

ARAC 2021 DRAFT FORWARD PLAN	Sponsor	MARCH Q4	MAY Q1	JULY Q2	OCTOBER Q3
Papers to be issued		TBC	TBC	TBC	TBC
Welcome, apologies and declarations of interest	Chair	To note	To note	To note	To note
Previous minutes	Chair	Present	Present	Present	Present
Update on outstanding actions from previous meetings	Chair	Present	Present	Present	Present
Risk Assurance Review, to include update on Internal Audit actions	Head of Governance & Strategy	Present	Present	Present	Present
Information Rights and Security Incident Report: <small>To include the annual report on FoI and SARs in Q1</small>	Head of IT	Present	Present	Present	Present
External Audit update	NAO / BDO	Present	Present	Present	Present
Internal Audit update and final audit reports	GIAA	Present	Present	Present	Present
Attestations and single tenders report	Head of Finance	Present	Present	Present	Present
Annual Report and Accounts 2020/21: Timetable and Planning	Business Planning Manager	Present			
Annual Report and Accounts 2020/21: First Draft	Head of Finance		Present		
Annual Report and Accounts 2020/21: Final Sign Off	Head of Finance			Present	
Annual Report and Accounts 2020/21: Lessons Learned	Business Planning Manager				Present
Budget 2022/23: Planning	Business Planning Manager			Present	

Budget 2022/23: Budget Headlines	Business Planning Manager				Present
Annual Security Policy Framework: Self Assessment	Head of IT				Present
Annual Fraud Report	Head of Finance		Present		

Annual Cyber Security Report	Head of IT				Present
Annual Internal Audit Plan: Approve	GIAA	Present			
Annual Review of Business Continuity	Business Planning Manager	Present			
Annual Health and Safety Compliance report	Head of HR		Present KK NOTE: At 2/9/20 Exec Mtg it was suggested that this report was aligned to the financial year - need to discuss with SF and MP		
Annual Review of ARAC Terms of Reference	Chair				Present
Annual External Audit Planning Paper	NAO/BDO	Present			
Annual NAO Management Letter and Audit Opinion	NAO			Present	
Annual Effectiveness Self-Assessment Review	Chair				Present
Annual Private sessions with Auditors (GIAA and External Audit)	Chair				Meetings to be scheduled
Annual Data Assurance	Senior Performance Analyst				Present

Annual review of Assurance Map To be included in the Risk Assurance Review paper	Head of Governance and Strategy	Present			
Periodic agenda items /agenda items requested at previous meetings					

OLC 2021/22 DRAFT PLAN	Sponsor	JANUARY 2021 <i>Q3 reporting</i>	MARCH 2021 <i>Q4 reporting</i>	APRIL 2021	JUNE 2021 <i>Q1 reporting</i>	JULY 2021	SEPTEMBER 2021 <i>Q2 reporting</i>	OCTOBER / NOVEMBER 2021 <i>Date of mtg will need to fit in with the LSB schedule re OLC Budget</i>	JANUARY 2022 <i>Q3 reporting</i>
Papers to be issued		TBC	TBC	TBC	TBC		TBC	TBC	TBC
Executive report	Chief Ombudsman	Present	Present	Present	Present		Present	Present	Present
Finance report	Head of Finance	Present	Present	Present	Present		Present	Present	Present
Performance Report	Interim Director of Ops / COO	Present	Present	Present	Present		Present	Present	Present
People Plan / Delivery Plan	Head of HR	Present	Present	Present	Present		Present	Present	Present
Board paper redactions and non-disclosure report	Chair	Present	Present	Present	Present		Present	Present	Present
Board Effectiveness	Chair	Present	Present	Present	Present		Present	Present	Present
ARAC update / Minutes for approval	Chair of ARAC	TBC	TBC	TBC	TBC		TBC	TBC	TBC
RemCo update / Minutes for approval	Chair of RemCo	TBC	TBC	TBC	TBC		TBC	TBC	TBC
Legal Services Board / Ministry of Justice (attend/ present / observe)	LSB / MoJ	TBC	TBC	TBC	TBC		TBC	TBC	TBC

Horizon Scanning March and September reports to include an update on stakeholder engagement and communications and progress against the new stakeholder analysis / engagement strategy	Head of Impact, Service Policy and External Affairs	Present	Present	Present	Present		Present	Present	Present
Quarterly Transparency Publications: Board and Ombudsman Register of Interests Report Gifts and Hospitality Report Board and Senior Manager Expenses Report	Board Sec	Present Q3 reports	Present Q4 reports		Present Q1 Reports		Present Q2 Reports		Present Q3 Reports
Annual Review of Scheme of Delegations	Head of Governance and Strategy		Present						
Annual Review of Matters Reserved to Board	Head of Governance and Strategy		Present						

Annual Report on Enforcement	Legal Manager						Present		
Equality, Diversity and Inclusion - Board Session	Governance and Strategy					Present			
Annual approval of Equality Priority Objectives for 2021/22	Head of HR		Present						
Service Complaint Adjudicator Report	Board Sec			Present				Present	
Annual Welsh Language Report	Head of Impact, Service Policy and External Affairs				Present				
Annual Board Effectiveness Review	Chair / Head of Governance and Strategy							Present	
2020/21 Annual Report and Accounts: Timetable and Planning	TBC		Present						
2020/21 Annual Report and Accounts: Update on progress				Present					

2020/21 Annual Report and Accounts: Board sign off and delgate final approval to ARAC in July						Present			
2020/21 Annual Report and Accounts: Learning Review	TBC							Present	
2021/22 Budget, Strategy and Business Plan: Feedback following consultation	TBC	Present							
2021/22 Strategy and Business Plan: Approval	TBC	Present							
2021/22 Budget: Approval of budget for submission to the LSB	TBC	Present							
2021-22 Budget and Business Plan Learning Review	TBC			TBC	TBC		TBC		
2022-23 Budget: Programme Plan	TBC				Present				
Board Strategy Session						Present			
2022/23 Budget, Strategy and Business Plan: Planning in preparation for consultation	TBC						Present		
2022-23 Budget, Strategy and Business Plan: Approval for consultation	TBC							Present (must take place in October)	

RemCo 2021 DRAFT FORWARD PLAN	Sponsor	February (avoid half term)	July (avoid school holidays)	November
Papers to be issued		TBC	TBC	TBC
Welcome, apologies and declarations of interest	Chair	To note	To note	To note
Previous minutes	Chair	Present	Present	Present
Update on outstanding actions from previous meetings	Chair	Present	Present	Present
Performance reporting	Head of HR	Present	Present	Present
People Plan and Delivery Plan	Head of HR	Present	Present	Present
Annual Joint meeting of RemCo and Staff Council	Head of HR	Present		
Annual Gender Pay Gap and Equal Pay Report	Head of HR		Present	
Celebrating Success: Reward and Recognition. Review and assurance of bonus scheme 2020/21	Head of HR	Present		
Celebrating Success: Reward and Recognition. Approval of bonus scheme 2021/22 To include Senior Team rewards (action from RemCo meeting on 7 September 2020)	Head of HR	Present		
Annual Pay Remit	Head of HR		Present	
Civil Service Survey	Head of HR	Present		
Annual Exit Report	Head of HR		Present	
Annual review of RemCo Terms of Reference	Chair		Present	
Annual Equality Priority Objectives 2021/22	Head of HR	Present	Present	
Annual Health and Safety Compliance Report This report is also presented to ARAC in July	Head of HR		KK NOTE: At 2/9/20 Exec Mtg it was suggested that this report was aligned to the financial year - need to discuss with SF and MP	
Periodic Items agenda items requested at previous meetings				
Pay benchmarking (3 yearly / ad hoc) Last presented at September 2020 meeting	Head of HR			
Policies Review - ad hoc Last presented at September 2020 meeting	Head of HR			