Meeting of the Office for Legal Complaints Remuneration and Nomination Committee

16 December 2025

<u>Present:</u>

Alison Sansome, Chair

Rachel Cerfontyne

Elaine Banton

<u>In attendance:</u>

David Peckham, Interim Joint Chief Executive

Steve Pearson, Interim Joint Chief Executive

Zoe Grainger, Head of People and Culture

Lisa Hanlon, Strategic HR Business Partner

<u>Apologies:</u>

Elisabeth Davies, OLC Chair

Mark Persard, EDI Manager

<u>Minutes:</u>

Kay Kershaw, Board Governance Manager.

Item 1 – Welcome, apologies and declarations of conflict of interest

1. The Chair welcomed attendees to the meeting.
2. Apologies were noted.
3. There were no declarations of interest reported.
4. This meeting continued the agenda originally planned for the RemCo meeting held on 20 November 2025, which was unable to proceed because quorum was not met.

5. At its meeting in November, the Committee had reviewed a report on HR metrics and received updates on actions arising from the 2025 RemCo effectiveness review. The action log has since been updated to reflect the updates and will be considered as part of the agenda for this meeting.

Item 2 – Previous minutes, previous actions, and matters arising.

6. The minutes of the RemCo meeting held on 20 March 2025 were **approved** as an accurate record of the meeting.
7. The minutes of the RemCo / Staff Council meeting held on 20 March 2025 were **noted**.
8. The minutes of the RemCo meeting held on 18 June 2025 were **approved** as an accurate record of the meeting.
9. RemCo **noted** the update on previous actions.
10. RemCo **ratified** a decision made out of committee in October 2025 to approve a pay policy decision.
11. The Head of People and Culture updated the Committee on key HR metrics previously discussed at the November RemCo meeting. At that meeting, the Committee had noted the progress made in reducing attrition and improving sickness absence levels, as well as the HR Team’s continued proactive management of both short and long term absences. The Committee had also been informed that all key HR metrics had been trending positively, and that focus remained on priority areas, including those approaching the agreed HR metric thresholds.
12. In response to a query regarding the corporate attrition rate of 19.3%, which had previously been reported to the Board with a green RAG status despite the target being 19%, the Committee was advised that the RAG rating reflected the tolerance range built into the reporting methodology. Although marginally above target, this figure remained within the parameters of a green assessment.

Item 4 - People strategy: Progress against the 2025/26 action plan and people and culture approach

13. The Head of People and Culture presented two reports to RemCo: A progress update on the People Strategy and associated deliverables for 2025/26 and an update on the proposed People and Culture approach. The Committee also received a presentation outlining the proposed People and Culture strategy and approach.

14. The following key points were drawn to RemCo's attention:

- Strong progress continued to be made in delivering the 2025/26 people strategy and deliverables.
- The most significant development since the previous RemCo meeting related to the establishment of the People and Culture function. Following the appointment of the Head of People and Culture, the People Strategy and Services function had begun to transition into the People and Culture function. This shift, from a traditional, operationally focussed HR model towards a broader People and Culture function, aimed to support the organisation's ambition to create the conditions for a high-trust, high-performance workplace aligned to organisational values and strategic goals.
- Traditional HR activities would continue to form an essential component of the People and Culture function, which was structured around three areas of focus: Organisational effectiveness; people partnering; and HR services and insight.
- The EDI and Internal Communications teams had transferred into this function, enabling stronger alignment and co-ordination of culture-shaping activities across the organisation. The HR team was now fully resourced, further strengthening the overall capacity of the People and Culture function.
- The People and Culture approach had been shared with the Chief Ombudsman Designate, with further discussions to take place once they were in post.
- The People and Culture approach had also been shared with staff.
- The results of the 2025 Civil Service People Survey had been received. Early analysis indicated that overall engagement had increased by one percentage

point to 60%, with a 58% response rate. All areas of the engagement index had improved except for learning and development, which had decreased by one percentage point. The most notable improvement related to pay and grading, which had increased by ten percentage points, rising from 26% to 36%, although this remained the lowest-scoring theme. Emerging themes included change management, leadership and management, workload pressures, and pay and grading. More detailed analysis and reporting would follow and would inform the organisation's wider people and culture approach.

- A second aspiring leaders course had been delivered, receiving positive feedback from participants who had particularly valued the career stories shared during the session, including an interview with a senior leader, as well as the ten-minute mentoring session, which had generated strong engagement and practical learning.
- Recruitment was under way to increase representation on the Staff Council. Work continued to develop and embed the role of Staff Council within the organisation, including providing training to representatives to build capability, strengthen their effectiveness as advocates for colleagues, support their contribution to organisational culture, and enable them to provide appropriate strategic challenge.
- It was noted that a question had recently been raised at a staff briefing regarding potential recognition of a trade union. The Head of People and Culture would be meeting with Staff Council to better understand the reasons behind this interest.

15. In discussion, the Committee sought to understand the People and Culture function's priority areas for the remainder of the year and the expected timescales for delivering and embedding the outcomes of People and Culture activities across the organisation. In response, the following points were made:

    - Current priorities included developing the leadership and management framework, progressing the pay and grading review, and undertaking a cultural audit to identify further areas for enhancement.

- Deliverables from the existing People Strategy would be integrated into the People and Culture approach to ensure continuity during the transition period and the forthcoming programme of work would set out activities for both the immediate term and the next three to five years, which would also take into account proposals for organisational transformation.
- Phase one of the leadership and management framework was underway, focussing on Executive level expectations, behaviours, and competencies. Phase two would focus on defining these requirements for leadership roles across the wider organisation. This work was expected to be completed by June 2026, establishing consistent leadership expectations across the organisation.
- The pay and grading review was also underway, having been prioritised in response to staff feedback highlighting about the perceived fairness, transparency and equity in the current pay and grading structure. An overview of the reviews purpose and objectives had been provided at an all staff briefing, followed by a dedicated briefing session for managers and team leaders. Progressing this work was expected to help build trust and address a significant source of organisational concern.
- Detailed planning work was underway to map timelines for delivering and embedding the People and Culture activities, taking account of organisational capacity, which remained a key constraint, and dependencies across the deliverables. Ensuring alignment with wider organisational priorities would also be essential for effective implementation and staff engagement. The leadership and management framework and the pay and grading review would act as drivers for other People and Culture activities.

16. The Committee acknowledged that cultural change would take time and emphasised the importance of ensuring that existing organisational practices did not undermine the culture the organisation aimed to create. It was suggested that existing policies and practices should be reviewed through the lens of the desired future culture.

17. In response to a question, the Committee was advised that success in implementing the People and Culture approach would be measured thorough the Civil Service People Survey engagement index and trends emerging from individual survey questions. Consideration would also be given to aligning cultural indicators with organisational performance measures reported on the Board’s balanced scorecard, although establishing a direct correlation between culture change to operational performance may be challenging. Considering the limitations of the Civil Service People Survey, particularly the lengthy cycle between data collection, analysis, reporting and action planning, additional mechanisms, such as focus groups and pulse surveys, would also be explored to provide more timely insights to support the measurement of progress and success.

18. The Committee discussed opportunities for Staff Council involvement in the cultural change work, noting that an initial briefing session had already taken place and that further engagement was planned for the new year. Whilst recognising the need to consider the capacity constraints of individual members of Staff Council, it was acknowledged that greater involvement would support the Staff Council’s development, strengthen its strategic contribution, enhance its role in checking and challenging organisational thinking, and increase colleague confidence in staff representation.

19. The Committee noted the update on the People Strategy and associated deliverables for 2025/26 and the update on the proposed People and Culture approach.

Item 5 – 2025 Gender pay gap.

20. The Head of People and Culture presented a report updating the Committee on the organisations gender pay gap as of 31 March 2025. The following key points were drawn to RemCo’s attention:

- The mean gender pay gap rose slightly from 8% in 2024 to 9%, while the median gender pay gap remained unchanged at 4%. Despite this marginal increase, LeO’s gender pay gap continued to be below national public-sector benchmarks, which typically ranged between 11% and 14%.

- The bonus gender pay gap was reported as –4% (in favour of female colleagues), with a median of 17%, both representing improvements on the previous year. Of the 239 bonuses awarded, 72% had been received by female colleagues.
- Whilst LeO's workforce was 68% female and 31% male, female colleagues were typically in lower-graded roles. The percentages did not total 100% due to the rounding of percentages.
- The appointment of a male Chief Ombudsman Designate was unlikely to shift the 2026 gender pay gap as the previous incumbent had been male, however had a female Chief Ombudsman been appointed there may have been a positive shift.
- A range of activities were in place to support gender equity at LeO, including anonymised recruitment processes; training on unconscious bias; a Women's Network; and mentoring programmes.
- Societal constraints and the constraints of a flat organisational structure were recognised as limiting opportunities for female progression. The gender pay gap would continue to be closely monitored and, in addition race and disability equity in pay, would be considered further as part of the pay and grading review.

21. The Committee discussed how small changes at a senior levels could have a disproportionate impact on overall pay gaps. It was acknowledged that, while the ultimate aim was to achieve total equity, reflected in a 0% pay gap across all measures, including gender, race, disability, and bonus gaps, this was unlikely to be fully achieved in practice given LeO's workforce composition and role distribution. As such, LeO's ongoing priority would be to ensure that equity was embedded within all processes, systems, and policies, ensuring they were inclusive and fair by design. This would remain a core focus of the pay and grading review and wider work to drive cultural change.

22. It was noted that LeO’s systems and processes had been updated to support pay gap reporting for ethnicity and disability. These new reporting capabilities were currently being tested and piloted, with the intention of providing RemCo with data on these characteristics ahead of any statutory requirement to do so.

23. , RemCo **noted and approved** the 2025 gender pay gap report, welcoming that LeO’s gender pay gap had remained broadly consistent with previous years and well below national public-sector benchmarks. The committee thanked the teams for their continued work in this area.

Item 6 – Pay and grading review:

24. The Head of People and Culture presented an update on a pay and grading review, which formed part of LeO’s wider organisational transformation programme. The following key points were drawn to RemCo’s attention:

    - Initiated in response to staff feedback, the pay and grading review aimed to establish a transparent, fair, and future-ready pay and grading framework that aligned with organisational strategy, promoted equity, inclusion, career development and linked pay and performance whilst also remaining affordable within public-sector constraints.
    - Success measures would include improvements in employee engagement, a reduction in pay-related grievances, improved retention in key roles, and positive feedback from stakeholders.
    - The review would be progressed through five phases: Exploring structural design; job description review; framework and pay band design; engagement and consultation; and implementation, which was planned for April 2027 or earlier, subject to affordability and approval.
    - The approach to this review and the timetable had been discussed with line managers and team leaders. It was explained to them that the review was not intended to deliver pay increases for all staff and that new structure could result in differential outcomes, with some colleagues falling outside the revised pay and

grade boundaries. Appropriate mitigations, including pay protection and red-circling, would be considered. Any staff concerns would be managed through clear principles and transparent engagement.

25. RemCo welcomed the pay and grading review, recognising it as a timely and positive response to a long-standing pay issue for LeO. However, given the constraints of public sector funding, and higher salaries offered by similar organisations that were not subject to the same limitations, it would be important to manage staff expectations throughout the process.

26. The Committee reflected on the current contraction in the job market and the greater value employees were now placing on job stability and wider aspects of the employment beyond pay. Against this backdrop, LeO's employee value proposition (EVP) was seen as increasingly important, and the ongoing organisational transformation and development of the new strategy presented strong opportunities to reshape both the EVP and organisational culture.

27. Having sought assurance on the practical management of the interrelated and potentially competing elements of the pay and grading review, including equal pay considerations, red-circling, benchmarking, wider pay concerns, and the alignment of career development initiatives, RemCo was advised that:

- All decisions on the new pay and grading structure would be underpinned by the principles of fairness and equity and assessed through an EDI lens to ensure they were non-discriminatory.
- Colleagues' views would be sought on maintaining the integrity of the new pay and grading structure, including the use of red-circling and pay band tolerances.
- Benchmarking would be carried out through a structured and transparent process. Line Managers would begin by reviewing and evaluating job descriptions with their direct reports, using a benchmarking tool that considers job tiles, rank, responsibilities and other factors including organisational size and location. Staff Council would be involved in the evaluation of job descriptions and throughout the pay and grading review process.

28. It was noted that, should red-circling be required, a clear and time-bound end point should be established.

29. Further assurance was sought on how LeO would ensure consistency in job descriptions. It was explained that clear guidance and template documents had been developed to support a consistent approach and help managers to describe duties accurately. The People and Culture Team would provide support to ensure that job descriptions were evidence-based, clear and appropriately concise.

30. Managers and employees would jointly agree all job descriptions. In some instances, such as where investigators worked across multiple teams, a small number of standardised versions may be developed to reflect genuine role differences while avoiding unnecessary variation. Managers would be supported to identify the most suitable approach for their teams.

31. It was acknowledged that the moderation of job descriptions would be essential. It was recommended that this should be carried out by individuals with a broad understanding of organisational roles to ensure consistency and that Staff Council could contribute to this process.

32. RemCo noted, in response to a question, that staff had reacted to the announcement about the pay and grading review with caution and apprehension. It was agreed that clear and proactive communication would be essential to ensure staff understood the purpose and intent of the pay and grading review, to address misconceptions and to reinforce that the work had been driven by staff feedback and was not aimed at cutting costs.

33. Following a detailed discussion, RemCo **noted** the update on the pay and grading review.

Item 7 – 2025 RemCo effectiveness review: Progress against the action plan

34. RemCo reviewed a report outlining the actions arising from the 2025/26 RemCo and **noted** that all actions had now been completed.

Item 8 – Items to escalate to Board.

35. There were no items identified for escalation to the Board.

36. The RemCo Chair would be providing a verbal update on this meeting at December's Board meeting.

Item 9 – Effectiveness of the meeting

37. RemCo members provided feedback on the effectiveness of the meeting. The following key points were made:

- The meeting had been a positive and effective, with members working well together to discuss the key issues.
- Achieving quorum remained challenging given the small number of members and this should be addressed in the future.

Item 10 - Any other business

38. There was no other business.