

## Minutes of the 60<sup>th</sup> Meeting of the Office for Legal Complaints

### Remuneration and Nomination Committee

24 November 2022

#### Present:

Alison Sansome, Chair

Elisabeth Bellamy

Dale Simon

#### In attendance:

Elisabeth Davies, OLC Chair (observing)

Debra Wright, Head of People Strategy and Services

Nikki Sinclair, EDI Manager, (item 8)

#### Board Secretary:

Kay Kershaw

#### Apologies

Paul McFadden, Chief Ombudsman

### **Item 1 – Welcome, Apologies, Conflict of Interest and Matters Arising**

1. The Chair welcomed those present to the meeting and apologies were noted.
2. There were no conflicts of interest reported.
3. The meeting was quorate\*.
4. RemCo ratified a unanimous decision made out of committee in February 2022 to approve the Health and Safety Policy and Lone Working Guidance\*.
5. RemCo ratified a unanimous decision made out of committee in May 2022 to approve the revised Redundancy Policy\*.
6. Since the last meeting, updates on the Celebrating Success Scheme and People Strategy had been provided out of committee.

### **Item 2 Previous Minutes**

7. RemCo approved the minutes of the meeting held on 8 February 2022 as an accurate record of the meeting\*.

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8. RemCo approved the minutes of the joint meeting held with Staff Council on 8 February as an accurate record of the meeting\*.

### **Item 3– Previous actions**

9. RemCo **noted** the update on previous actions. The following points were made:
- Action 6, paragraphs 34 and 36 from the February 2022 meeting were ongoing and would be addressed as part of a wider annual review of HR policies in January 2023, taking into account any learning following the implementation on new HR policies in 2022
  - Action 10, paragraph 58 from the February meeting was in the hands of the Legal Team. RemCo offered support to the Executive to escalate this action.

**Action: The Board Secretary to liaise with the Head of Programme Management and Assurance to determine whether anything more could be done by RemCo to escalate action 10, paragraph 58 from the February 2022 meeting.**

### **Item 4 – HR Metrics**

10. The Head of People Strategy and Services reported on HR metrics, drawing RemCo's attention to the following key points:
- For the third consecutive month, a downward trend had been seen in attrition.
  - Lessons had been learned following the attrition of some investigators recruited during the first national recruitment campaign, some of whom had found permanent home-working challenging. Robust conversations were now taking place at the offer-stage about the realities of permanent home-working to better manage employee expectations.
  - LeO was also reviewing and adjusting its expectations on performance and productivity during the probationary period to ensure that they were reasonable and that new staff were being appropriately supported, particularly those working permanently from home.
  - The next cohort of national recruits would commence in role in November; attrition would continue to be closely monitored.
  - For the fourth consecutive month, a downward trend had been seen in overall sickness absence.
  - Staff on long term sick leave had been supported back to work by a HR Consultant and number of days lost to mental health sickness absence in September had reduced to its lowest level.

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- In October, the number of days lost to mental health sickness absence had increased again; this was due to the ongoing mental health issues of a very small number of staff. HR Business Partners were providing support to them in line with HR policy.
- The time taken to fill vacancies had increased due to the inability to recruit to some corporate roles, including 3 HR roles and one Project Manager role, both of which had been advertised nationally.
- As a result of recruitment activity, a significant number of staff were on probation; 18 of whom had had their probationary period extended.
- Employment law solicitors were managing a small number of active Employment Tribunal cases. The Board would be kept updated on how these cases progressed.
- Following the intervention by an HR Consultant over the summer, HR casework had significantly reduced enabling HR Business Partners to now proactively manage emerging cases.
- An increase in flexible working requests had been seen.

11. In response to questions about how LeO's expectations on performance and productivity during the probationary period were being managed to reduce the risk of attrition, the Head of People Strategy and Services reported on a package of support had been introduced. This included more realistic and manageable caseloads that were increased over a period of time as new Investigators gained knowledge, experience and competence in their role; changes made to the Quality Assurance process to make it less onerous and stressful on probationary staff, and mentoring and improved support provided by Ombudsmen and Team Leaders. High performing probationary staff would continue to be supported and encouraged to maintain high levels of performance and productivity. The adjustments being made would be kept under review.
12. Having sought to understand the underlying reasons for corporate staff attrition RemCo was advised that pay and limited opportunities for career development and progression due to LeO's relatively flat structure were the main reasons. As part of the People Plan, several development programmes were to be introduced, including a Leadership Development Programme, an Aspiring Leaders Programme and a Mentoring programme, these, in addition to an improved Personal Development Review process, would increase opportunities for personal and career development for corporate staff and help to retain them.
13. RemCo sought to understand the impact of the Hub Strategy on attrition and other HR metrics. In response, the Head of People Services and Strategy explained how staff experienced the Hub Strategy differently because of their different working contracts; some were permanently home based and others worked from the Cardiff Hub, where working arrangements replicated those of the Birmingham office. Attrition amongst home based staff was higher but one person based at the Cardiff Hub had resigned. HR data on staff recruited through the Hub Strategy was being collected and closely

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monitored; this data would be incorporated into formal HR reporting and shared with the Board in due course.

14. RemCo was advised that lessons learned from Employment Tribunals were being captured. New HR policies had been introduced that took into account the lessons learned and better support was now available to help Line Managers deal with HR related issues. In discussion, the RemCo Chair commented on the importance of mental health disability not being overlooked by Line Managers when dealing with HR issues and for consideration to be given to appropriate reasonable adjustments to ensure proactive support is provided where possible, which may also help to avoid cases being escalated to an Employment Tribunal.
15. The Head of People Strategy and Services updated RemCo on transitional arrangements for managing EDI following the resignation of the EDI Manager and emerging proposals for developing the role to ensure adequate resource and focus on both internal and external EDI priorities. RemCo stressed that, in line with information set out in the OLC's Draft Budget Acceptance Criteria submitted to the LSB, this should be a dedicated role specifically focussed on EDI, and not incorporated with other responsibilities.
16. Members were asked to consider whether the suite of HR metrics was sufficiently comprehensive and to notify the RemCo Chair and Head of People Strategy and Services of any other metrics required so that they could be taken into account when developing the new HR dashboard.

**ACTION: RemCo members to notify the RemCo Chair and Head of People Strategy and Services of any changes required to the HR suite of metrics.**

17. A recommendation was made for a HR metric that reported the average days of sick leave taken by staff who were not on long term sick leave.

**ACTION: The Head of People Strategy and Services to consider a recommendation from RemCo to include a HR metric reporting the average days of sick leave taken by staff who were not on long term sick leave in the new HR dashboard.**

18. Following a detailed discussion, RemCo **noted** the update on HR metrics.

### **Item 5 - Pay and Reward Strategy: Celebrating Success – Reward and Recognition Scheme**

19. RemCo **noted** an update on the interim Celebrating Success Scheme that had been issued out of committee in July, in which it was proposed that the interim Scheme remained in place to allow for further learning to be captured and taken into consideration as part of a wider review of LeO's total reward and recognition package.
20. RemCo was advised that the interim Scheme was working better than the previous scheme, with more corporate staff now receiving rewards and EDI data being captured for monitoring purposes. There was scope for further improvements, including better

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staff guidance on how to submit a good quality nomination; this would be taken into account as part of the wider review.

21. RemCo **noted** the update on the Celebrating Success Reward and Recognition Scheme.

### **Item 6 – Pay and Reward Strategy: Pay Benchmarking**

22. A paper had been shared with RemCo highlighting the approach, timescales and key stages of an external pay benchmarking exercise that commenced in November.
23. The Chief Ombudsman had attended an initial meeting with the organisation undertaking the pay benchmarking exercise to provide some context on the Legal Ombudsman, its structure, hierarchy and relationships with key stakeholders.
24. Job descriptions would be shared to enable roles to be evaluated and HR would provide context on the roles as required.
25. RemCo **noted** the update on pay benchmarking.

### **Item 7 – People Strategy: Progress Update Against the Action Plan**

26. A paper updating RemCo on the progress made on the key strands of the re-prioritised People Plan had been shared ahead of the meeting. The following key points were drawn to RemCo's attention:
  - LeO had successfully recruited to three of the six HR posts in the new HR structure. The new HR Business Partners were settling into their new roles and were forming effective relationships with Managers across the organisation. The three vacant HR posts were being covered by agency staff.
  - Progress was being made on a new Recruitment Policy and associated processes.
  - The Executive would be considering a revised Terms of Reference for the Staff Council in November 2022 .
  - A Leadership Development Programme had been launched. The first session had taken place face to face and had focused on objective setting and career development. Positive feedback had been received from attendees. A further seven sessions were planned, with the next session due to take place in December.
  - The final response rate to the Civil Service People Survey was 62%; this was a 7% increase on last year's response rate. Confirmation was awaited from the MoJ on when the survey results would be made available to LeO so that a detailed analysis could be undertaken.
  - All key strands in the People Plan were being progressed and were on track to be completed within agreed timescales.

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- There had been a good response rate to the Civil Service People Survey. Information from the MoJ was awaited about when the results would be made available to LeO. Once received a detailed analysis of the results would be undertaken.

27. The Head of People Strategy and Services reported on the ways staff were being engaged and updated on the progress being made on delivering the People Strategy and the future plans for further engagement to ensure momentum.

28. Members had been pleased to note that the Personal Development Review process was now in place, commenting on how this would help to identify emerging HR issues so that steps could be taken to address them.

29. Reflecting on the People Strategy and the key areas of focus for the remainder of the year, a recommendation was made for EDI to be incorporated into the end-to-end review of recruitment activity and subsequent communications.

**ACTION: The Head of People Strategy and Services to consider a recommendation for EDI to be incorporated into the end-to-end review of recruitment activity and subsequent communications.**

30. RemCo **noted** the update on the progress being made on delivering the People Strategy action plan, commending the Head of People Strategy and Services on what had been achieved so far.

### **Item 8 – Gender Pay Gap Report**

31. The EDI Manager presented the draft Gender Pay Gap Report for 2022/23, drawing the following key points to the RemCo's attention:

- The mean Gender Pay Gap had improved compared to the figure reported in 2021.
- LeO did not pay staff bonuses, but for the Gender Bonus Pay Gap reporting, the Celebrating Success Scheme was recognised as a bonus scheme. Since 2021, the median Gender Bonus Pay Gap had decreased by 50%. Fifty-six percent of females received a bonus payment. Work was underway to identify whether there were any barriers to staff nominating or being nominated for Celebrating Success Awards; remedial action would be taken accordingly.
- Due to changes in the Executive Team, there had been a small increase in the upper pay quartile for males. Females were over-represented in the lowest pay quartile where staff were more likely to work part time.
- As part of the People Strategy, and in response to feedback from the 2021 Civil Service People Survey on pay and work-life balance, consideration would be given to the feasibility of increasing the number of part time senior roles to attract more females and address the imbalance in pay quartiles.

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- LeO had a 70/30 split across males and females; this was in line with other ombudsman schemes.
  - LeOs HR related policies were regularly reviewed as part of the wider People Strategy to ensure that they were consistently applied and remained fair.
  - A new Performance Development Review process had been introduced and would take into account the career aspirations of LeO's staff.
  - A Women's Staff Network had been launched and at the inaugural meeting suggestions had been put forward on areas of focus to inform the People Strategy.
  - A proposal for Mentoring Programme was to be presented to the Executive; this would initially be a six-month pilot.
32. RemCo noted the good work that had been done to reduce the Gender Pay Gap and welcomed the reference to the OLC Board in the Gender pay Gap report.
33. The following feedback was provided on improvements to be made to the Gender Pay Gap Report before it was published in March 2023:
- Explain why the Gender Pay Gap report was required.
  - Articulate what constituted success and parity.
  - Proofread the report to address typographical and grammatical errors.
  - Consider a shortened and more succinct summary.
  - Review first bullet point on page 6 and provide more clarity.
34. The EDI Manager **agreed** to review and amend the Gender Pay Gap Report in response to RemCo's feedback and to consider setting out a tolerance, or range, to highlight what LeO was aiming for in terms of Gender Pay Gap reporting and what would constitute success; workforce data along with data from the Civil Service People Survey and EDI Consultation would be used to determine the appropriate or range.
35. The amended Gender Pay Gap report would then be shared with the EDI Board Sponsor for further review and feedback.
36. It was **noted** that the final Gender Pay Gap report did not have to be published until the end of March 2023, which would allow for the final version of the report to be presented to RemCo at the March 2023 meeting for approval to publish.

**ACTION: The EDI Manager to review and amend the Gender Pay Gap Report in response to RemCo's feedback and to consider setting out a tolerance or range to demonstrate what LeO was aiming for in terms of Gender Pay Gap and what would constitute success.**

**ACTION: The EDI Board Sponsor to provide feedback to the Head of People Strategy and Services on the updated Gender Pay Gap Report.**

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**ACTION: The Head of People Strategy and Services to present the final Gender Pay Gap Report to RemCo at the March 2023 meeting for approval to publish.**

**ACTION: The Board Secretary to update the RemCo forward plan to include the Gender Pay Gap report for approval at the March 2023 meeting.**

37. In response to comments made about the Women's Network, the EDI Manager explained how some female staff had been uncomfortable raising personal issues with male line managers and how the collective support of a Women's Network would help to address some of the associated issues and help improve women's experience of working for LeO.
38. A survey to determine satisfaction levels would be undertaken in Q4 / Q1 to help understand why people felt the way they did about working at LeO and improvement action would be taken as required.
39. In discussion, the EDI Manager explained that the Women's Network had been introduced in response to feedback on previous Civil Service People Surveys and would focus on issues that had a specific impact on females. With support from the MoJ, this group would evolve over time to a Gender Equality Network; this would have a greater reach and focus on wider gender specific issues.
40. The RemCo Chair thanked the EDI Manager for their hard work and support and wished them every success in their new job.

#### **Item 9 – Annual RemCo Committee Effectiveness Review**

41. RemCo considered the responses to a self-assessment questionnaire completed by Committee members in May 2022, to determine what actions may be required to improve RemCo effectiveness.
42. In discussion, it was **recommended** that:
  - RemCo would continue to meet twice a year.
  - Meetings should be aligned to the business cycle to reduce the need for decisions to be made out of committee where possible.
  - There should be an option to convene short ad hoc meetings if the need arises for RemCo to consider specific agenda items.
  - Areas for RemCo deep dives should be recommended by the Board.
  - RemCo was settling into its new role as defined by the Committee's revised Terms of Reference (ToR).
  - No further changes to the RemCo ToRs were required in the short term, but the OLC Chair would consider increasing Committee membership from three to four with a quorum of three in Q4 once the new NEDs had commenced in role.

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**ACTION: The OLC Chair and Board Secretary to follow up on increasing RemCo membership from three to four in Q4 once the new NEDs were in post.**

- The RemCo Chair would work with the Board Secretary to review previous RemCo forward plans and agendas to ensure that none of the areas of focus, as defined by RemCo's old Terms of Reference, had been overlooked, and to ensure that future agendas covered the right areas.

**ACTION: RemCo Chair would work with the Board Secretary to review previous RemCo forward plans and agendas to ensure that none of the areas of focus, as defined by RemCo's old Terms of Reference, had been overlooked, and to ensure that future agendas covered the right areas.**

- Positive feedback had been provided on the effectiveness of the RemCo Chair in post at the time the self-assessment review was carried out.
- The interface between NEDs, Executive and staff was effective, with the appropriate level of challenge and transparency.
- It would be good practice to include a standing agenda item on areas to feedback to the Board.

**ACTION: Board Secretary to update the RemCo forward plan to include a standing agenda item on areas to feedback to the Board.**

- RemCo Meetings were a safe space for honest and open discussions and members had the right balance of skills to fulfil corporate governance requirements and support LeO's continuous improvement journey.

43. The Board Secretary agreed to draft the RemCo effectiveness action plan based on the recommendations made.

**ACTION: The Board Secretary to draft the RemCo effectiveness action plan based on the recommendations made.**

44. In response to a question, the OLC Chair explained that they were in discussion with the LSB about the rationale for OLC Committee Chairs to be lay members of the Board and would report back to Board members on this in due course.

45. The actions set out above will form the 2022 RemCo effectiveness action plan.

### **Item 10 - Any other business**

46. The RemCo Chair thanked Lis Bellamy for the insightful contributions she had made to RemCo recognising that this was the last RemCo meeting she would attend before her term of office ended. The Committee joined in wishing her well for the future.

47. It was **agreed** that RemCo members would share their March 2023 availability with the Board Secretary so that a reserve meeting date could be identified in case the scheduled meeting was not able to take place.

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**ACTION: RemCo members to share their March 2023 availability with the Board Secretary so that a reserve meeting date could be identified.**

48. RemCo members confirmed that there was nothing specific arising from the discussions at this meeting that needed to be brought to the Board's attention.
49. A meeting on the Pay and Reward Strategy focussed on reviewing the pay and benefit structure of the Chief Ombudsman and Chief Operating Officer role took place in private after this RemCo meeting.

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