

## Minutes of the Forty-Sixth Meeting of the Office for Legal Complaints

### Remuneration and Nomination Committee

Thursday 9 May 2019

#### Present:

Dr Jane Martin, Chair  
Rod Bulmer  
Elisabeth Bellamy, by telephone

#### In attendance:

Brendan Arnold, Interim Director of Corporate Services  
Marcus Passant, Head of Human Resources

#### Board Secretary:

Kay Kershaw

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

1. The Chair welcomed those present and in attendance.
2. There were no apologies.
3. Those members of staff present declared an interest in agenda item 5. The Committee agreed that staff could remain present for discussions about this item.
4. No other conflicts of interest were declared.

#### Item 2 – Previous minutes

5. The Committee reviewed the minutes of the previous meeting held on 27 February 2019 and sought updates on several matters.
6. The Executive reported on the current high workload and the challenges faced by the HR Team. The organisation's constrained budget prevented any further recruitment to address the challenges faced by the HR Team or indeed any of the teams within the Corporate Services function.
7. The Head of HR reported that the team were actively seeking to recruit staff from the external market alongside internal development to ensure the right skills and knowledge required to fulfil the roles needed
8. Members were assured that the Management Team was working towards addressing the issues highlighted in the staff survey responses.
9. It was also confirmed that the Gender Pay Gap report had been published.
10. Having reviewed the minutes of the previous meeting held on 27 February 2019, Members **approved** the minutes as an accurate record of the meeting.

#### Item 3 – Outstanding actions from previous meetings

11. Committee **noted** the update on actions arising from previous meetings.

#### Item 4 - HR Update and balanced scorecard

12. The Head of HR presented the balanced scorecard and reported on a range of key metrics, including new metrics for investigator turnover, days lost to sickness broken down between operations and corporate areas and long term sickness for investigators. These new metrics will assist the HR Team with resource planning.
13. Members were advised that, in order not to overload staff with surveys, the questions usually asked in the Pulse Survey had been combined with the Institute of Customer Services survey that had been recently issued to staff. Results of this survey were expected in June and would be shared with RemCo before its next meeting.
14. The rolling annual voluntary turnover rate remained high at 18.5%, mainly as a result of market pressures. The benchmark for this metric had been increased from >12% to >18% in line with the 2019/20 key performance indicators agreed by the OLC Board and reflecting current market data. Members stated that they would like to see the rolling annual voluntary turnover rate reduce in the future.
15. Members discussed the underlying factors behind the data on staff turnover and other metrics reported in the balanced scorecard. They concluded that, in order to fully understand the issues behind this data, it would be helpful if more information was provided about the reasons behind the data and what the priority actions would be for the organisation in addressing them.
16. The Committee **noted** the HR update.

#### Item 5 – Reward and recognition; celebrating success

17. In line with requirements to provide RemCo with assurance and oversight of the Celebrating Success scheme, the Head of HR presented a paper setting out a summary of the quarterly awards and instant recognition payments made to staff in 2018/19. This paper provided information and analysis of recipients by gender, ethnicity and role.
18. The Head of HR confirmed that the names of recipients and nominees were published internally to ensure transparency and that the scheme was well received by staff who were fully engaged in nominating their peers for awards.
19. The Committee **noted** the report.
20. Further to the Committee's decision to approve a proposed approach towards the payment of two of the three elements of the Celebrating Success reward and recognition scheme for 2018/19 at its meeting in February 2019, the Head of HR sought the Committee's approval to:
  - Pay annual awards to the team of the year and to three members of staff who had best demonstrated the delivery of values and quality.
  - Pay end of year bonuses of £800 to the top 10% of performers and £400 to the next 10%.

21. Additionally the Head of HR sought the Committee's approval for the continued use of quarterly individual and team awards and instant recognition awards in 2019/20, although the format of this would be confirmed later in the year. The Committee agreed that in 2019/20 it would be desirable for rewards to be awarded to high performing teams and that teams should understand the level of reward attainable for a given level of performance
22. The Head of HR confirmed that a budget had been set aside for the payment of these awards and that there was a moderation process in place to ensure the fairness of all awards and bonuses paid to staff.
23. Following discussion, the Committee **approved** the payment of annual awards to the team of the year and to three members of staff, **approved** the payment of end of year bonuses of £800 to the top 10% of performers and £400 to the next 10% and **approved** the continued use of quarterly individual and team awards and instant recognition awards for 2019/20.

#### Item 6 – Annual update on learning and development

24. The Head of HR presented a paper providing an annual update of learning and development activities for 2018/19.
25. The Committee acknowledged the significant amount of learning and development that had taken place during the last 12 months and commended the HR team for its efforts.
26. A discussion took place about the challenges of quantifying the impact of training and a number of suggestions were put forward to assist with this. It was noted that it was important to focus training on organisational improvements.
27. The Committee **noted** the annual update on learning and development.

#### Item 7 – Policies review

28. The Head of HR presented a paper summarising proposed minor changes to the Dignity at Work policy and the Mediation policy and reporting on further proposed changes to the Grievance and Disciplinary policy aimed at aligning it to the Mediation policy in order to ensure that grievances were handled in a more balanced way.
29. As a result of the further proposed changes to the Grievance and Disciplinary policy, an action from the February RemCo meeting to provide Jane Martin with a copy of the final Grievance and Disciplinary policy remained outstanding; this would be actioned by the end of June, once the proposed additional changes had been made to the policy.
30. As a consequence of the further proposed changes to the Grievance and Disciplinary policy, it was likely that there would be additional changes to the Mediation policy.
31. It was expected that the revised Grievance and Disciplinary policy would be published in quarter 1.

32. The Committee **approved** the changes to the Dignity at Work policy and the Mediation policy and **noted** the update on further proposed changes to the Grievance and Disciplinary policy.

#### Item 8 – Well-being – MIND index

33. The Head of HR presented a paper reporting on the results of the 2018/19 MIND Workplace Wellbeing Index survey results. These results reflected similarities to the Civil Service Survey results and were likely to be underpinned by the scale of change in 2018/19 and the impact of the increased focus on managing performance.
34. The Management Team had held an initial meeting to discuss the results and an initial intranet article had been published to inform staff that MIND had awarded the organisation a bronze award for achieving change when addressing mental health in the workplace. Members wished to emphasise the importance of achieving a bronze award and suggested clarity be sought on how to achieve a silver or gold awards next time t.
35. Head Ombudsman, Mariette Hughes, had been appointed as the Management Team sponsor for mental health.
36. The Management Team were still formulating a formal response to the results and were planning to involve the Wellbeing Champions group and Staff Council to assist them in developing an action plan. RemCo would be kept appraised of developments. The RemCo Chair commented that the Board should also be kept updated on mental health matters.
37. The Committee **noted** the 2018/19 MIND Workplace Wellbeing Index survey results.

#### Item 9 – Review of E&D trends

38. The Head of HR presented a paper reporting on the Legal Ombudsman's employee demographics as at 5 April 2019 which included some comparative employee data for 2018 and a comparison with the 2011 census for the West Midlands economically active population.
39. The data reported in 2019 was broadly in line with previous data reported in 2018. There are more female employees than males; 6.8% of employees declared themselves as disabled, and BAME employees made up a quarter of the workforce.
40. The Head of HR reported that there had been an increase in the number of respondents selecting the 'prefer not to say' option in response declaring disability.
41. The organisation continued to work on its race action plan in order to ensure opportunities for BAME colleagues across the organisation. There were currently fewer BAME colleagues in senior roles.
42. RemCo would be kept appraised of any underlying issues that become apparent following further analysis of the data within this report.
43. The Committee **noted** the update on E&D trends.

#### Item 10 – Annual update on the Apprenticeship Scheme

44. The Head of HR presented a paper providing an annual update on the delivery of the apprentice scheme.
45. The apprenticeship scheme at LeO was effective and had been very positive for both the organisation and the individuals. Apprentices were actively engaged in day to day business and project work and some had taken on additional work in driving forward the Equality and Diversity agenda through the LGBT+ network and the disability network.
46. The Head of HR reported that it was unlikely that LeO's apprenticeship levy would be used in full based on the current number of apprentices in post. Any unused levy funds would expire. The levy could only be used to fund training and completion costs for apprentices and could not be used to pay wages.
47. The Public Sector Apprenticeship Target Report was submitted within deadline and reported an apprenticeship percentage of 1.6%
48. The Committee **noted** the annual update on the apprenticeship scheme.

#### Item 11 – RemCo Effectiveness Review; next steps

49. A discussion took place about the findings of the RemCo self-assessment questionnaires that were completed in quarter 3 and the next steps for the Committee in addressing the findings.
50. The responses to the questionnaire had highlighted the need for the Committee's Terms of Reference (ToRs) to be refreshed as it was felt that they were currently too broad for a Non-Executive Committee.
51. In discussion the Committee advised that:
  - It would require strategic oversight of policies, but had no requirement to approve minor policy changes.
  - Any items removed from the current ToRs should be re-allocated to a designated member of the Management Team, or the main Board agenda.
  - Review by RemCo of the apprenticeship scheme and learning and development could be scaled down.
  - There needed to be greater strategic alignment to the HR balanced scorecard.
  - It would need to give some consideration to the frequency of future RemCo meetings.
  - It wished to continue to meet with Staff Council on an annual basis.
52. At the request of the Chair, it was agreed that the Director of Corporate Services would re-draft the ToRs by the end of June and circulate to RemCo with a copy of the current ToRs for comparison.

**ACTION: Director of Corporate Services to re-draft the ToRs by the end of June and circulate to RemCo along with a copy of the current ToRs for comparison.**

53. It was agreed that the Board Secretary would schedule a telephone meeting for the Committee to review the re-drafted ToRs in early July.

**ACTION: Board Secretary to schedule a telephone meeting for the Committee to review the re-drafted ToRs in early July.**

54. A final version of the ToRs would be tabled at the September RemCo for further consideration.

**ACTION: Board Secretary to ensure approval of the ToRs is added to the RemCo forward plan for the September meeting.**

55. In discussion, the Committee commented on the need for greater clarity on the People strategy and plan and it was agreed for a further discussion on the focussed actions would be held at the September meeting.

56. **ACTION: Board Secretary to ensure that a discussion on the focussed actions relating to the People strategy is added to the RemCo forward plan for the September meeting.**

Item 12 – AoB

57. The Committee was advised that a further discussion on the alternative delivery models would take place at the July Board meeting.
58. The Head of HR updated the Committee on current recruitment activity.