

Minutes of the Thirty-Second Meeting

Office for Legal Complaints (OLC) Remuneration and Nomination Committee

**Monday 10 November 2015
10.00 am – 13.00 pm**

Present:

Dr Bernard Herdan Chair
Caroline Coates Member
Jane McCall Member (via conf call)

In attendance:

Nick Hawkins Chief Executive
Paul Partridge Interim Director of Corporate Services (**not present for item 5**)
Marcus Passant HR Manager (**not present for item 5**)
Angeline Burton Interim Head of Policy, Research and Communications (**item 6 only**)

Apologies:

Kathryn King Interim Chief Ombudsman

Secretary:

Helen White Board Secretary (**not present for item 5**)

Observing (all items except Items 5 and 9)

Andrew Walton, Staff Council representative

Item 1 – Welcome, apologies and conflict of interest

1. The Chair welcomed and thanked those in attendance.
2. The quorum requirements for the committee meeting were met.
3. There was a declaration of interest by staff for agenda items 5 and 9.

Item 2 – HR Update

4. The Committee was updated regarding turnover rates, which it was noted were within the public sector norm. The HR Manager reported that turnover levels would increase as there had been a number of resignations over the past month. Discussion took place on salary levels and whether they were comparable with similar organisations. It was noted that the majority of staff were moving to more senior roles within other organisations.
5. Discussion took place on sickness rates which were currently 2.7%. It was noted that the CIPD benchmarking figure was likely to reduce to 2.99%. The

HR Manager reported that the organisation's approach to managing sickness was effective.

6. It was noted that a Learning and Development Partner had been recruited on a fixed term basis to the end of the financial year. The team were also exploring the potential of recruiting an HR Apprentice.
7. The Chief Executive reported that he had asked the HR Manager to look at the HR team structure to see whether more junior or senior support was needed.

Recruitment Update:

8. The Chief Executive updated members on the current situation regarding the Financial Transaction Limits. He confirmed there was a lack of clarity on his personal financial authority. It was noted that the ARAC Chair had written to the Accounting Officer on this subject and a response had been received. On 27 October, the MoJ issued a list of spending controls which included a recruitment freeze on all non-frontline posts, unless an existing exemption was in place. Staff could however, be moved internally, but there would be no backfill of posts.
9. The Chief Executive reported that the Grant Thornton report made reference to the need to enhance certain functions, such as HR and Finance. He therefore proposed to submit one consolidated business case to address the Grant Thornton recommendations. He will argue that most of our posts are front line and should be exempt from controls.
10. Members noted that the interim Director of Corporate Services had submitted a business case for a number of IT posts to replace the interims and contractors.
11. The HR Manager reported that the recruitment process had been completed for both the ombudsman pool and internal secondment roles. The interim Chief Ombudsman would now make a recommendation to the Board.
12. Members requested that the executive keep them updated on progress and offered any support the executive may need to resolve the issues resulting from the spending controls.
13. Members noted that two audits have been conducted by MoJ internal audit in the past quarter. Once the management response was received, these would be circulated to ARAC and RemCo. Members requested that once available, the HR Manager to circulate the audit reports out of committee.

ACTION: Once management response received, the HR Manager to circulate the audit reports out of committee.

Exit Report:

14. The HR Manager reported that the five year review of exit interviews had not shown significant conclusions with the majority of leavers moving for personal betterment with more challenging roles. Positive feedback was received on the organisation's benefits as well as some of the initiatives around employee engagement.
15. Discussion took place on the equality and diversity analysis from the exit data. It was noted that this would be discussed further at the E&D Strategic Forum.
16. Members asked whether the HR Manager could provide a sense of what might have changed in the organisation which was reflected in the exit interview forms for the five year period. They also requested that in his next summary report he highlight any change in the type of exit interview feedback received.

ACTION: The HR Manager to include any change in the type of exit interview feedback in his next summary report.

Succession Planning:

17. The HR Manager presented the talent development strategic principles. Members welcomed the approach being adopted by the executive and noted the paper was to be discussed in more detail at the forthcoming management team meeting.

Equal Pay Audit:

18. The HR Manager reported that it was likely that legislation would be adopted which would compel organisations to publish equal pay data if they employed more than 250 employees.
19. Members requested further analysis on the data to provide reassurance. It was agreed that the analysis would be reviewed at the E&D Strategic Forum. The paper would then be presented to the next RemCo meeting.

ACTION: The HR Manager to table the analysis from the equal pay audit to the next E&D Forum. An updated paper would then be presented to the next RemCo meeting.

Item 3 – Leadership Development Programme

20. The HR Manager updated members on work to define a leadership development programme. It was noted that the MoJ spending controls would affect the chosen route. The interim Director of Corporate Services reported that the spending controls would mean that should the organisation wish to spend more than £10k on a non-generic CSL course, it would need Cabinet Office approval.

21. Discussion took place on the potential to use open access courses to meet the objectives of the programme in the short term. The Chair stated there were other routes which could be progressed in parallel, without incurring spend.
22. It was agreed that the HR Manager would circulate a progress report to include open access and bespoke training, at low or zero cost. The HR Manager to work with the interim Director of Corporate Services to ensure the proposal was within the spending limits. The OLC Accounting Officer should also be kept informed on the proposal. It was agreed that the proposal should link back to the Grant Thornton recommendations. The Chief Executive would like to delay the start of the full programme until the senior team was stable.

ACTION: The HR Manager to circulate a progress report to include as detailed above.

23. Members offered their services to the Chief Executive to assist in delivering the required training.

Item 4 – Review of Performance Incentive Scheme

24. Discussion took place on the performance incentive scheme which had been implemented in 2013, as members were keen to understand whether the current scheme was having the effect it should; or whether it was having an adverse effect on behaviours.
25. The HR Manager reported that as requested he had contacted an independent organisation to give advice on best practice but their services were very costly, so had not progressed.
26. Members agreed that the performance incentive scheme would continue for the current financial year.
27. It was agreed that the principle of the performance incentive scheme would be raised at the next Staff Council meeting. Staff Council would be asked to consider two areas; should the organisation have a scheme and if so, what form should it take. Staff Council members could then canvas views from their teams and present back to the next RemCo meeting.

ACTION: The Chief Executive to raise the principle of the performance incentive scheme at the next Staff Council meeting. The Staff Council would then canvas views from their teams and present back to the next RemCo meeting.

ACTION: The Board Secretary to add Performance Incentive Scheme to the next RemCo agenda and invite Staff Council to present on the item.

28. Members and executive would also look at best practice within other arm's length bodies.
29. The Chief Executive would raise this with the MoJ sponsor team.

ACTION: Members and executive to look at best practice within other arm's length bodies.

The Chief Executive to raise with the MoJ sponsor team.

30. The HR Manager to review the contracts of employment to confirm whether there was any mention of discretionary bonus.

ACTION: The HR Manager to review the contracts of employment to confirm whether there was any mention of discretionary bonus.

Item 5 – Organisation Refocus Update

31. Item discussed in private session. This item to be on the next RemCo agenda.

ACTION: The Board Secretary to add Refocus to the next RemCo agenda.

Item 6 – Staff Survey Action Plan Update

32. The interim Head of Policy and Communications joined the meeting to present the update on the staff survey action plan. Members noted that the executive were making steady progress.
33. It was noted that the Culture and Communications meetings which the management team attend, had been refocused and would be the key platform for progressing and communicating the plan. It was also noted that the Staff Council had provided valuable insight into the communication strategy.
34. Discussion took place on when the next staff survey would be held and it was noted that this would be later in November.
35. It was noted that the next LeO live all staff event would be held in December. The OLC Chair and one of the board members would be attending.
36. Members reiterated their commitment both to the action plan and to meeting staff in various forums. There might usefully be a 'big conversation' with staff about revisiting the values.
37. Discussion took place on the 'LeO Way' which outlined the employee engagement and communications framework. It was noted that highlighted what the organisation would do for its staff. Members requested more emphasis on what the staff would do for the organisation.

Item 7 – HR Balanced Scorecard

38. The HR Manager presented the updated HR balanced scorecard which focused on outcomes rather than inputs. It was noted that the L&D Partner was looking to introduce a method of analysing training 3-6 months after completion.
39. Members agreed on the importance of introducing a score for strategy to measure whether staff were aligned to the strategy and how the management were communicating it. The HR Manager would work on this for the next meeting.
40. It was agreed to remove the item on 'number of posts recruited' as this was factual rather than evidence and outcome based.
41. Discussion took place on the employee engagement measure. It was agreed that the HR Manager would discuss this separately with the interim Head of Policy and Communications.

ACTION: The HR Manager to discuss with the interim Head of Policy and Communications the standing questions to be included in the staff survey to inform the scorecard.

Item 8 – Risk

42. Discussion took place on the increased level of scrutiny and the financial constraints imposed by the MoJ, which were affecting the strategic and operational ability of the organisation. It was agreed that it was therefore important for the committee to review and discuss the risks to ensure all key risks were articulated in the corporate risk register.
43. Discussion took place on the risks facing the organisation. The HR Manager was asked to produce a risk register for discussion at the next meeting.

ACTION: The HR Manager to produce a risk register, aligned to the new corporate risk register, for discussion at the next RemCo meeting.

Item 9 – Staff Benefits Regularisation

44. Discussion took place on the regularisation of the staff benefits scheme. The Chief Executive reported that communication was awaited from the MoJ. It was noted that the Annual Report and Accounts needed to be laid by the end of January and this could not happen until the staff benefits scheme was regularised.

Item 10 – Minutes of the previous meeting

45. The minutes of the meeting held on 9 September 2015 were approved.

Item 11 – Matters arising and outstanding action points

46. Members noted those items where actions had been completed and those that were included as agenda items.

Item 12 – Any Other Business

47. Jane McCall updated members on the course she and Caroline Coates had recently attended entitled 'Accountability and Governance for Arm's Length Bodies'. She reiterated the importance of the ALB newsletters being circulated to the key members of the executive and where necessary, Board members too. The Chief Executive undertook to give assurance to members that the process was working effectively.

ACTION: The Chief Executive to ensure the process for the cascade of information in the ALB Newsletters was working effectively.

48. Discussion took place on the Pay Remit. The interim Director of Corporate Services reported that a draft copy had been sent to the MoJ for comment. It would not be possible to finalise the pay remit until the staff benefits were regularised.
49. Discussion took place on two policies which the interim Director of Corporate Services had amended. Members requested that these be circulated for review outside committee.

ACTION: The interim Director of Corporate Services to circulate the Expenses and Gifts and Hospitality policies to Board members.

50. Members approved the revised RemCo Terms of Reference. This would now be tabled to the OLC Board meeting on 22 July for approval.

Next meeting

The next RemCo meeting would be held on 3 February 2016. .