

Minutes of the twenty first meeting

Office for Legal Complaints (OLC) Remuneration and Nomination Committee

**Tuesday 10 September 2013
09.30 – 11.40**

Present:

Rosemary Carter	Chair
Maureen Vevers	Member
Margaret Doyle	Member

In attendance:

Adam Sampson	Chief Ombudsman
Rob Hezel	Chief Operating Officer

Apologies:

None

Secretary:

Vanessa Jane	Executive Assistant to the Chair and Chief Legal Ombudsman
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Item 1 - Welcome and preliminary issues

1. The Chair welcomed and thanked those in attendance.
2. The quorum requirements for the committee meeting were met.
3. There were no declarations of interest.

Item 2 - Minutes of the previous meeting

4. The minutes of the meeting held on 27 June 2013 were approved for publication and distribution to OLC Members.

Item 3 - Matters arising and action points

5. The chair asked that meeting dates for next year go in the diary as soon as possible with the first one being in March; all agreed.
6. It was agreed that Marcus Passant, Human Resources Manager, attends the meetings going forward.

Item 4 - Chair's update

7. The Chair informed the Committee that over the summer close contact had been kept with the Chief Ombudsman and Katherine Sherrington, Head of Service, with regards to risks, appeals and mitigations relating to the Ombudsmen restructure.
8. The Chair asked who would represent Human Resources at the Board meetings now there was no longer a HR Director. The Chief Operating Officer informed the Chair that Marcus Passant, Head of Human Resources would be attending the Board meetings as and when required.

Item 5 - Redundancy update, *paper RN 22.1 (13)*

9. The Chief Operating Officer presented his paper to the Committee and confirmed the following:
10. In all twenty five roles were put at risk. The redundancy exercise was completed on schedule at the close of August. Most people agreed to voluntary redundancy which allowed people leave the business without a notice period; all left with an agreed reference. The process was swift with minimum costs. All but two Ombudsmen had signed compromise agreements, with the remaining signatures expected soon. It was felt that the process had gone well under difficult circumstances.

Item 6 - Headcount cost reduction update on staff take up

11. The Chief Ombudsman informed the committee that there are currently two Ombudsmen roles that are being recruited to. It was agreed that two board members should interview alongside the Chief Ombudsman (subject to diaries allowing).
12. The Chief Operating Officer presented some high level organisation charts and a discussion ensued with the following points:
 - The three lead Ombudsmen will report in the Chief Ombudsman and will also work closely with the General Counsel to ensure a consistent approach. They would also seek to embed knowledge and quality in operational staff and Ombudsmen colleagues.
 - Carol Brady will take on the position of Ombudsman for Knowledge and Quality and will line manage the quality and knowledge team whilst working a reduced case-load. This position however, does not raise her seniority above the other lead Ombudsmen. Whilst it is expected that this will be a successful step for Carol who has a wealth of people management experience., the Committee members expressed concern about knowledge and it was agreed that it was possible that the organisation may need external specialist knowledge support in the future.

- The Chief Ombudsman reported that morale had dipped but was recovering within the organisation due to the redundancy process being dealt with in a swift and fair manner. The Staff Council had also been constructive and useful in the redundancy process.

ACTION

- Chief Ombudsman will review and work with the Chair of the Committee on the restructure of Communications and Policy team.

Item 7 - Appraisal, pay and reward update, *paper RN 22.2 A-D (13)*

13. The Chief Operating Officer presented his papers to the committee.

Pay

14. The Chief Operating Officer said that the current process no longer works within the organisation and that salaries going forward should be linked to the market rate. New employees will enter the organisation at the lower market rate with the maximum pay for existing employees being capped at the market median rate. Any additional pay above that would be non-recurrent and linked to individual and organisational performance.
15. There was a debate about how the pay for Ombudsmen would fit into the new process; the Chief Operating Officer is to put a paper together regarding the future direction of Ombudsmen pay and present this to the Chair before the next meeting.
16. There were some issues that arose from the pay benchmarking as a significant number of staff are currently being paid above the market rate. A discussion followed on how best to tackle this issue in order to align salaries. The Chief Operating Officer was tasked with providing detailed analysis and costings on this matter and reporting back to the Chair before the end of week.
17. It was felt by all that although this paper had some minor flaws, the overall approach should be agreed; however, the Ombudsmen should be informed that the future direction of their salary is being considered. It was agreed that the 1% pay rises for all staff should be paid pending the final decision on the outstanding points.

ACTION

- Chief Operating Officer was tasked with providing detailed analysis and costings regarding employees whose salaries are currently above the market rate. This needs to be with the Chair before end of week.
- The 1% payrise is to be paid as soon as practicable.
- Chief Operating Officer to analyse the future direction of Ombudsmen pay and present the Chair with a discussion paper ahead of the next meeting.

Appraisal and goal setting

- 18.** The Chief Operating Officer informed the Committee that the new process would be in line with pay scales; this meant that greater manager / employee involvement in goal setting, reviews and targets.
- 19.** Committee members recommended that training workshops be held for managers to ensure that the process would be carried out correctly. Also, on-going support should be provided by human resources to ensure that this process does not fail in the short and long term.

Item 18 - Any other business

- 20.** The Chief Operating Officer proposed a freeze on recruitment in the current year in order to make savings. All approved with the Chair commenting that where roles are essential recruitment should take places once the role has been signed off by the committee. The following roles were agreed: IT / Telephony Project Support Assistant and Executive Assistant / Board Secretary.
- 21.** The Chair will send the Committee Secretary some suggested dates for 2014. The November meeting may now be held in London. The Committee Secretary will confirm the venue.
- 22.** The next meeting will be held on 14 November 2013 at 11.30 am at a venue to be confirmed.