

Minutes of the first meeting

Office for Legal Complaints (OLC) Remuneration & Nomination Committee

Monday 13 July 2009

1.30am – 3.00pm

Victoria House, Southampton Row, London, WC1B 4AD

Present:

Rosemary Carter, Chair
Margaret Doyle, member
Tony Foster, member

In attendance:

Adam Sampson, Chief Ombudsman
Nyall Farrell, Interim Director of Operations
Sandra Jenner, HR Consultant
Liz Shepherd, Programme Manager

Secretary:

Debbie Fawcett, Team Administrator

Item 1 and 2 – Welcome and Chair's Introduction

The Chair welcomed members and attendees to the first meeting of the Remuneration and Nomination Committee. The Chair advised that the meeting would not run according to the agenda.

Item 4 – Planning the Route Map for Implementation

Sandra Jenner walked the Committee through handouts of the OLC Roadmap explaining the sequencing and that it is necessary to undertake the organisational design work, including the cultural design before work could begin on the HR workstreams, most particularly the Remuneration Strategy. However, it would be necessary to bring in extra resources in order to undertake this work. It was currently planned that the Remuneration Strategy will be brought to the Committee in

September and to the Board in October assuming that the procurement of HR Service Providers can be accomplished to meet this timescale.

The following points arose in discussion:

- A plan will be needed to ensure that we identify and recruit the employees we need from the LCS. This will be directly influenced by the Ministerial decision on whether to have a Section 38 Statutory Transfer.
- Careful consideration will need to be given to how the work force would be flexed for peaks and troughs.
- Recruitment for the transition phase needs to begin now to ensure that we have sufficient resources and capabilities in place to undertake the work in the HR and other workstreams.

DECISION

The Committee noted that the planning was still underway and asked for the high level plans for the HR workstreams to be circulated to the Committee before the next meeting.

Item 7 – Proposals for Staffing up the OLC

Adam Sampson gave an oral update on the approach to staffing up for the Transition Phase to 1st January 2010, referring to the 'Set-up and Implementation' section of the presentation previously given to the Board, explaining the need for permanent appointments on page 28 of the presentation where there is an ongoing need for the positions beyond the transition phase. The key position to fill as soon as possible is the Head of Human Resources. The Committee voiced concern that there would not be enough time to advertise before the August summer holidays if the candidate was to start work on 1st September. The Chief Executive assured the Committee that the OLC would be flexible around accepting candidates availability for interview, and the turnaround in recruitment was possible if the advert was placed in the next week.

The following points were raised in discussion around this key hire:

- The salary for this position will be benchmarked against similar roles in the West Midlands.
- LCS would be kept fully informed of all positions being advertised.
- The process needs to meet the standard of open and fair recruitment.
- The successful candidate will have to accept that the terms of the appointment will, of necessity, need to be cash only initially (as with the Chief Ombudsman) until the remuneration strategy is agreed and implemented. The Head of HR is, of course a critical resource in taking this work forward.

Applicants will need to be made aware of this, and be prepared for their terms to change at a later date.

- The aim is to recruit a Head of HR with the skills to run the ongoing HR function for organisation. His/her skills and expertise would be supplemented in the short-term with strategic advice and practical support from HR consultants and HR Service Providers on the specific challenges of the start-up..
- In the long term the Head of HR would report to a Director of Corporate Services.

The following points were brought up in general discussion:

- It was noted the OLC Chair is particularly keen on hiring a Board Secretary as soon as possible. This would ensure better governance processes and generally improve the management of the Board.
- The Chief Executive is meeting Gatenby Sanderson, recommended by the OLC Chair, next week to discuss creating a swift process in hiring a Deputy Ombudsman. Ombudsmen would be paid according to the Judicial pay scales.
- Nyall Farrell would take over from Susan Graham as Financial Controller in the short term, but a permanent Financial Controller will be sought.

DECISION

The Committee agreed the proposal for the priority recruitment of the Head of HR, Board Secretary, a Deputy Ombudsman and Financial Controller.

Item 8 – Proposal to use external consultants to advise and support on HR workstreams

The Committee was taken through the requirements for additional resources to deliver the HR workstreams .

The following points were raised in the discussion:

- The HR Service Provider's brief would include: undertaking the remuneration benchmarking and advising on remuneration strategy and its implementation; advice and support on the initial recruitment for the transition phase and the 'bulk' start-up recruitment during 2010, flexible working solutions to meet workload changes, competency frameworks, performance management etc. Tenders must be sought from suppliers on the Catalyst list to avoid having to use the procurement process prescribed by the EU law.
- It is necessary to begin the tender process straightaway because it will take a couple of months to complete.

- The tender document needs to be constructed so that discrete areas can be separated and extended as required, and suppliers can tender for parts of the package as well as the whole thus improving the ability of the OLC to ensure value for money.
- The budget that has been indicated for letting this contract is an estimate at this stage and can be taken to represent a ceiling.
- The timescale for the contract with a Service Provider is expected to be for 1 year or until recruitment of staff is substantially complete, if longer.

DECISION

The Committee agreed that a single tender for external consultants to advise, support and deliver services for the HR workstreams would be the most efficient and effective solution and that work should begin on the tender document forthwith.

Item 6 – Consideration of Draft Terms of Reference for the Committee

Draft Terms of Reference (ToR's) had been produced using the Institute of Company Secretaries (ICSA) guidance on best practice and amending their model terms of reference to suit the OLC's position..

In considering the draft the Committee:

- Agreed a 3 year appointment term and noted that ideally appointment terms needed to be staggered to ensure continuity. They agreed that, once hired, the Board Secretary would need to review this, along with the Board appointment terms.
- Agreed the necessary quorum should be two..
- Agreed a minimum of 2 meetings a year.
- Agreed that in deciding the Chief Ombudsman's remuneration package they would always seek input and a recommendation from the OLC Board Chair.
- Agreed that the policy for authorising claims for expenses from the Chief Ombudsman and Chair would be agreed in discussion with the Audit and Risk Committee.
- Agreed that there was no need at present for a reference to a responsibility for the appointment of executive Members to the Board.
- Agreed some reordering and minor drafting amendments.

DECISION

The draft terms of reference to be amended as agreed and circulated to the Committee early the following week.

Item 3 – Notes of Informal Meeting

The notes from meeting were approved.

Item 5 – Informal Session on development of the OLC Culture

Liz Shepherd took the Committee through the diagram of Cultural Factors that was circulated in order to get their input.

The following points were noted from benchmarking visits to other organisations:

- The Housing Ombudsman allowed increasing autonomy based on demonstration of competences, these competences being in the elements of the process of investigative work, not in the content.
- Discussed FOS preference for hiring law graduates; who they find valuable for their analytic ability and interpersonal skills and they have moved away from hiring people with technical Financial Services experience.
- Mixing teams up every two years means that clique's are not formed.

The Chair pointed out that although it is important that the culture of the OLC is informed by the experiences of other organisations, it should not be led by them.

In discussions, the following points were raised:

- Management Density would be greater in some sections of business than others.
- The Committee is keen not to under estimate the complexity of new areas and want to balance bringing on expertise
- Would like the culture of the organisation to propel people through the learning process.
- The Demographic will affect the types of people available. For example, having an office in the centre of Birmingham would attract different types of people than a smaller centre or out of town location.
- The likely workload is uncertain. The existence of a an Ombudsman is likely to lead to more complaints so it will be necessary to have the ability to flex the work force up and down.
- Home workers sprinkled among office based staff would improve the learning culture, and anchor them in the organisation.
- In the early stages, everyone would be expected to work from the office to build expertise and create the culture.
- The Resolution Teams would refer to Ombudsman for advice on cases, if necessary. It was suggested that a duty Ombudsman could be useful in this respect.

- Team leaders will be critical to the success of the service as they will have both technical and managerial responsibilities. It will therefore be necessary to concentrate some resources on their performance and development.
- Output process structure should be different for different parts of the organisation. There are to be firm boundaries around individual decision making.
- Plain language is essential and care particularly needs be taken over the use of internal jargon as it can creep into external communication. It is important to have instant online availability of knowledge.
- The Organisation needs to be ready to change itself if mistakes are made – agile.

DECISION

- The Committee agreed that the draft Culture document is a good starting point and included what they envisaged.
- Liz Shepherd will take into account all changes to the culture presentation and re-circulate by the end of the month.

Items 9 and 10 - Future Agendas and Dates for Future Meetings

DECISION

It was agreed that the Chief Ombudsman would advise on the hierarchy of decisions to be made in the next few months and thus the content for future agendas and the dates for meetings in the light of more detailed planning which would be undertaken in the next week or so.

There is currently a meeting diarised for 12th October 2009 at 10am.

The Chair stressed that it is important to have face to face meetings where possible.

The Committee members indicated that they were willing to sit on selection panels for Head of HR recruitment and the tender process for the external HR service providers.