

**Notes of the Office for Legal Complaints (OLC)
Remuneration and Nomination Committee telephone Meeting
Monday 20 August 2018
16:00 – 16:20**

Present:

Dr Bernard Herdan, Chair
Elisabeth Bellamy

Apologies:

Dr Jane Martin

In attendance:

Rebecca Marsh, Chief Ombudsman
Marcus Passant, Head of Human Resources

Board Secretary:

Kay Kershaw

Purpose of Meeting:

The meeting had been called by the Chair of RemCo to discuss the proposed business case for the 2018/19 pay remit. The business case had been emailed to members of RemCo on 17 August by the Head of HR, seeking approval to submit it to the MoJ.

Discussion:

Lis Bellamy sought confirmation of her understanding of the proposition set out in the business case to apply a 1.25% pay increase to all staff, regardless of pay scale and performance. The Head of HR confirmed that her understanding was correct and explained that historically pay increases had been applied across the board in the same way. He added that whilst he did have the ability to withhold pay increases for staff with performance issues, this was only done in a small number of cases and pay increases were normally then implemented at the point the individual passed their capability plan or not at all if they exited LeO.

Bernard Herdan questioned whether a 1.25% pay increase was sufficiently high enough, especially in light of the public sector pay awards and the MoJ's Modernising Employment Proposition (MEP) proposals. He asked how staff would receive the news that LeO's 2018/19 pay award would not be aligned to the MoJ's pay award and questioned whether LeO could make a business case to Treasury to align itself to the MEP project.

In response, the Head of HR advised that staff clearly understood that they weren't in receipt of Civil Service pay and conditions and would therefore not be expecting to receive the same pay awards and allowances as their colleagues at the MoJ. He explained the fundamental differences.

He added that whilst a business case could be made to align LeO's pay award and allowances with those offered to MoJ employees, it would require Treasury approval and LeO didn't have the number of allowances and enhancements that required

harmonisation or removal to fund the costs involved in a higher headline pay settlement. He also added that the MoJ's head of Reward had previously complimented LeO on its modern set of streamlined terms and conditions.

The Chief Ombudsman explained that the starting point for the 2018/19 pay award had been to offer 1% to all staff. But as other ALBs, especially those based in Birmingham, were offering 1.5% it was felt prudent to increase LeO's pay offer to above 1%. By doing so, it would maintain LeO's competitiveness in the buoyant local job market and send some positive signals to staff who were expecting nothing more than a 1% pay increase this year.

The difference in pay increase would have increased pay for the majority of staff by somewhere in the region of £14.00 gross per month, but such a total budgetary increase would result in cost pressures for the business. This would impact the Chief Ombudsman's improvement plans that were identified following her review of structures and the business process. She explained that these improvements also had positive implications for staff wellbeing.

The Chief Ombudsman explained that following consultation with the Heads of Finance and HR it was agreed that a 0.25% increase above the 1% would be affordable and would still enable her to continue with her business objectives.

She added that the budgeting for the 2018/19 pay remit also took into account budgeting for a matter relating to CMS support that is to be discussed in more detail at the September Board meeting.

Following discussion, the Head of HR agreed to re-word paragraph 1.1 to provide greater clarity.

Conclusion:

Following discussion, and subject to minor amendment to paragraph 1.1, members of RemCo **approved** the business case for submission to the MoJ.

Post meeting note:

Having reviewed the papers, Jane Martin gave her approval the business case for submission to the MoJ.