

<b>Meeting</b>	OLC Board	<b>Agenda Item No.</b>	13
		<b>Paper No.</b>	116.10B
<b>Date of meeting</b>	18 October 2021		

<b>Title</b>	<b>Providing RemCo and Board Assurance on People-Related Activity</b>
<b>Sponsor</b>	Sandra Strinati, Chief Operating Officer/Debbie Wright, Head of People Strategy & Services
<b>Status</b>	OFFICIAL

<b>Executive summary</b>
<p>A meeting was held on Thursday 2 September 2021 with a subset of members from the OLC Remuneration Committee (RemCo): Elisabeth Davies (OLC Chair), Jane Martin (RemCo Chair), Paul McFadden (Chief Ombudsman), Sandra Strinati (Chief Operating Officer) and Debbie Wright (Head of People Strategy and Services). The purpose of the meeting was to commence discussions about the role of RemCo, and to consider the assurance needed by the Board on LeO's people-related activity going forward, and the way in which this happened – i.e., through RemCo's existing remit, a revised RemCo, or by other means. Following this first meeting a paper was prepared which outlined the key areas of discussion; this then formed the basis of further consideration at the second RemCo review meeting on 30 September 2021.</p> <p>This paper summarises the discussions during the RemCo review meetings and puts forward proposals for a revised remit for RemCo and the key areas of focus for Board in relation to LeO's people going forward. This paper should be read in conjunction with the OLC Chair's paper on Board effectiveness.</p>
<b>Recommendation/action required</b>
<p>Board is asked to consider the paper and <b>approve</b> a revised remit for RemCo and HR reporting requirements of Board going forward.</p> <p>Board is asked to <b>approve</b> the RemCo Terms of Reference.</p>

# PROVIDING REMCO AND BOARD ASSURANCE ON PEOPLE-RELATED ACTIVITY

## 1. Introduction

- 1.1 At the review meetings on Thursday 2 September and Thursday 30 September 2021, which comprised a subset of RemCo members, discussions took place on the role of RemCo going forward, the key people-related activities to be reported to Board, and the way in which assurances on their delivery, progress and impact would be provided. It was agreed that any new arrangements needed to avoid duplication between RemCo and Board, and that papers/reports were pitched at the appropriate level and detail.

## 2. Key Areas of Focus – RemCo

- 2.1 Following discussion, subject to Board approval, there was consensus that RemCo's people responsibilities going forward would be the following:
- The independent review of remuneration for the Chief Ombudsman and senior staff, particularly the Chief Operating Officer
  - Delegated responsibility as an employer, with RemCo as the means by which to provide assurance that LeO was meeting its legal obligations in relation to employment law compliance, such as mandatory reporting (e.g., gender pay gap), and the existence of a robust policy framework to underpin good employee relations activity and mitigate against the risk of legal challenge in employment tribunals
  - Oversight of pay policy, including pay structures and pay increases within LeO
  - Flexibility to undertake audit/'deep dives' on specific areas of people-related activity as required.
- 2.2 In relation to policy scrutiny, it was felt that the focus should be on those fundamental to LeO's people performance and which carried the highest risks, e.g., those that impacted employee relations and/or had the potential for dismissal and therefore subsequent challenge in an employment tribunal. It was acknowledged that clarity was needed to identify those HR policies subject to RemCo approval, those that required Board approval, and those that could be considered by the Executive. The proposed framework for policy review is contained in Appendix 2.

- 2.3 It was also agreed that the role of RemCo would be subject to annual review, in recognition that needs would continue to evolve. The proposed new Terms of Reference is contained in Appendix 1.

### 3 Proposed Key Areas of Focus – Board

- 3.1 It was felt that reports to Board on people-related issues needed to be more holistic, with a greater focus on both performance outcomes and key risks. It was considered central to effective people management and improved performance across the organisation were the following, which would form the basis on which the Executive would provide assurance, either via RemCo or direct to Board:

- Strong, effective leadership and management of LeO's people
- Robust HR policies to support all aspects of people management
- Effective reward and recognition strategy (including pay increases, changes to employment terms and conditions)
- Effective attraction and retention strategy, to recruit and retain the best people with the right skills and the ability to develop and achieve their potential at LeO
- Good performance management frameworks.

- 3.2 Taking the above as the basis for people-related activity on which Board requires assurance, the following is proposed as the format by which this will be provided:

- Identification of key risks, how these are impacting on performance, and the way in which they are being addressed
- Use of key HR metrics and associated narrative specifically related to identified risk/impact on performance outcomes (e.g., attrition; absence; time to recruit; employee engagement)
- Progress towards continued improvements/moving LeO to becoming an employer of choice, which will be largely driven by the development of a new People Strategy.

- 3.3 Reporting will focus on high impact activity, rather than routine reporting of people-related activity generally.

**Appendix 1** FOI Exempt s.22 Information intended for future publication.

**Remuneration and Nominations Committee (RemCo)**

**Terms of Reference**

[Redacted]

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[Redacted]

[Redacted]

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3. [Redacted]

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## Appendix 2

### Proposed framework for consideration/approval of HR strategy/policies

The table below reflects those policies currently in place unless indicated otherwise. There is considerable work to be done on ensuring HR policies are robust and fit-for-purpose going forward so all will be subject to review. This may result in some policies being re-titled, merged or removed. Some policies will be expanded to reflect the wider strategy going forward; new policies are also likely to be developed as LeO moves to being an employer of choice.

<b>Board</b>	<b>RemCo</b>	<b>Executive</b>
People Strategy (overarching – to be developed for 2022/23)	Redundancy	Dignity at Work
	Disciplinary	Criminal Records
	Sickness Absence Management	Investigations
	Probation	Flexible Working
	Performance Support	Learning & Development
	Grievance	Family Leave
	Pay	Time Off Work
	Performance Management Framework (to be developed)	Support for Professional Qualifications and Further Education
	Recruitment, Selection & Promotion	