

**Minutes of the Forty-fourth Meeting
Office for Legal Complaints (OLC)
Remuneration and Nomination Committee**

**Tuesday 28 November 2018
10:00 – 12:20**

Present:

Dr Bernard Herdan, Chair

Elisabeth Bellamy

Dr Jane Martin, (by telephone for items for items 2, 6, 7, 9 and 10)

In attendance:

Rob Powell, Chief Executive

Rebecca Marsh, Chief Ombudsman, (all items except item 6)

Marcus Passant, Head of Human Resources

Victoria Pickles, HR Business Partner (items 6 and 7)

Nicola Sinclair, Policy Manager (item 6)

Board Secretary:

Kay Kershaw

Item 1 – Welcome, apologies and conflict of interest

1. The Chair welcomed those in attendance.
2. There were no apologies.
3. In order to ensure the quoracy of the meeting for those items requiring RemCo's approval, the Chair adjusted the order of agenda items discussed at this meeting.
4. There were no declarations of conflict of interest.

Item 2 – HR Update

5. Balanced scorecard update: The Head of HR presented the Balanced Scorecard and advised Members that some of the data set out in the paper may change once the current embargo on the results of the Civil Service Staff Survey was lifted.
6. Turnover had reduced significantly in quarter two, from 4.4% to 2.8%, but the overall trend was still upwards. Members were advised that turnover across the UK was generally much higher, with turnover in the Public Sector currently at 15.3%. The Head of HR reported that LeO's 12% KPI target for turnover might now be unachievable and the KPI may need to be adjusted in 2019-20 to reflect this national trend.
7. The Head of HR reported that turnover within the first year of employment remained a concern, having increased from 20.0% to 21.3%, but advised that the data reflected the more robust and pro-active approach now in place around managing staff performance and probationary periods.
8. A discussion took place about the challenges of recruitment. The Head of HR reported on changes being introduced for the next round of recruitment aimed at testing skill levels as well as focussing on experience. In light of the

challenges faced in the increasingly competitive local recruitment market, the Head of HR reported that it was likely that LeO would need to identify and introduce different ways of undertaking recruitment in 2019.

9. Members were advised of a typographical error in the RAG status of staff leaving.
10. Sickness levels remained high and continued to be closely monitored by HR.
11. There was some concern about the level of support provided by Occupational Health, with the Head of HR reporting that he would like to see them take a more robust approach.
12. Long-term sickness absences were of greater concern to the Head of HR than those short-term sickness absences. Members were advised that there were a number of staff with serious long-term illnesses and maternity sickness absences.
13. Members discussed the interactive relationship between performance and sickness and the resulting challenges that the organisation faced.
14. Workforce Planning: A paper setting out updated establishment figures for 2019/20 was circulated to Members prior to the meeting.
15. The Chair raised concern about any proposed number of Investigator posts for 2019/20, and the potential impact that a reduced number of these posts would have on organisational performance.
16. In response the CEO advised that this reflected the need to absorb the one-off legacy budget and was further affected by CMC transition. He would be looking to start 2019/20 with 110 Investigators in post and use natural turnover in year to reach the establishment figure of 100. With staff in post according to the proposed 2019/20 establishment figures, and with Investigators consistently following the required business process and achieving the required output, the organisation should be capable of delivering its performance targets.
17. Members discussed staffing in corporate teams. The CEO advised that HR capacity had been expanded to reflect organisational priorities, while the IT team was highly integrated into operational delivery and also covered data protection and governance functions beyond core IT.
18. In response to a question from the Chair, the Chief Ombudsman advised that the organisation currently provided feedback to the legal profession, but this was an area for improvement. Going forward, it was intended this would become part of the day to day business activity across the organisation, rather than the responsibility of individual members of staff.
19. The Committee **noted** the HR update.

Item 3 – Update on Performance Improvement Framework Process

20. A paper setting out recommendations to improve the Performance Improvement Framework (PIF) was tabled for discussion by the Head of HR.
21. Staff were consulted on the PIF process at a LeO Live event in October. Their feedback, along with issues that had been identified over the last two years,

have been taken into account and recommendations have been made to improve the process.

22. Recommendations include: aligning the process to the three core objectives of deliver, develop and demonstrate LeO's values and behaviours; creating a framework for continuous conversations; renaming the process; refreshing the paperwork; improving the learning and development pages on LINK; arranging training for Line Managers, and separating development needs and objective setting.
23. Further consultation is planned with staff in order to ensure their understanding and commitment to the process going forward; this would include consultation with the Staff Council.
24. Following further consultation with staff, final proposals would be produced for the new appraisal process in time for the end of year appraisals. It was **agreed** that an update paper would be tabled at the RemCo meeting in February 2019.

ACTION: Board Secretary to update the RemCo forward plan to include an update on the new appraisal process at the February 2019 meeting.

25. A discussion took place around the PIF process and the issues and challenges that LeO had experienced over the last two years. Members commented on the importance of a robust appraisal process going forward and were supportive of the work being undertaken to develop and improve this process.
26. Jane Martin provided verbal feedback before leaving the meeting to confirm that she was in support of the recommendations set out in this paper and had no issues to raise.
27. The Committee **noted** the update on the PIF process.

Item 4 – Civil Service Survey Results

28. Following a decision made by the Cabinet Office to embargo the results of the Civil Service Survey, a paper intended for discussion at this meeting was not circulated to Members.
29. Members were advised that the results of the Civil Service Survey would be shared with them once the embargo was lifted and, if required, an additional telephone meeting would be arranged to discuss LeO's results in detail.

Item 5 – Assurance of moderation of staff awards

30. A paper setting out details of the recipients of the Celebrating Success staff awards since their introduction was circulated to Members with a view to providing assurance and oversight.
31. To date, four individual and one team award has been issued in each of the last two quarters. The gender and ethnicity of recipients was broadly in line with the demographic of the organisation; this would be continuously monitored by the Head of HR.
32. Feedback from Line Managers and Staff Council on the staff awards has been positive and the policy to publish the names of recipients and nominees transparently has been well received by staff.

33. Following discussion, it was agreed that assurance on the moderation of staff awards would be tabled twice yearly at future RemCo meetings.

ACTION: Board Secretary to update the RemCo forward plan to include the twice yearly moderation of staff awards.

34. Members **noted** the information provided on the assurance of moderation of staff awards.

Item 6 – Equality Diversity and Inclusion Update

35. A paper setting out an update on the work of the Equality, Diversity and Inclusion (ED&I) Forum, which included an updates on the progress made against the 2018-19 Equality Priority Objectives (EPOs), the draft EPOs for 2019-20 and a race action plan drawn up in response to the Project Race report.
36. Membership of the ED&I Forum has been refreshed to include wider staff representation.
37. Terms of reference have been enhanced and provide a stronger focus on the EPOs and their progress.
38. From December, the Chair of the ED&I Forum would pass from the Senior Ombudsman (Operations Support) to the CEO. Future meetings are to take place on a quarterly basis.
39. Following discussion it was **agreed** that the identification of a lead NED to join the ED&I Forum should be deferred until April 2019, when new Board members would be in post.
40. The priorities for the ED&I Forum had been identified and embedded.
41. New networks, all sponsored by members of the Management Team, were in place or in the final stages of being set up. Improvements to data collection and the tracking of the delivery of EPOs has been introduced. Further improvements were expected, with the introduction of a joined up approach towards dealing with ED&I issues.
42. Members **noted** that good progress had been made against the 2018-19 EPOs, in particular to EPOs 3 and 4 and **noted** that, through the 2019-20 EPOs, there was scope for further improvement to internal ED&I issues.
43. Three draft EPOs for 2019-20 have been identified and agreed by the Management Team for inclusion in the draft 2019-20 business plan consultation to be discussed at the OLC Board meeting in December. The draft EPOs have been discussed with the ED&I Forum. EPO 1 includes the implementation of the race action plan.
44. Following discussion, Members **noted** the 2019-20 draft EPOs, **confirmed** that they were satisfied with the approach towards ED&I and **approved** the draft race action plan.

Item 7 – Policy Approvals

45. In line with the policy review schedule, the Head of HR presented a paper setting out proposed changes to the sickness absence management policy,

- criminal records policy, probation policy and time off policy. Additionally a paper setting out guidance on breaks at work was presented for approval.
46. Members were advised that all the proposed changes had been made to reflect best practice, process changes and to provide greater clarity to staff.
 47. The Sickness absence management policy had been updated to reflect feedback from Line Managers with experience of implementing the policy and best practice identified following a review of the MoJ's Attendance Management Procedure, with a view to providing greater clarity to staff.
 48. Members were advised that an additional table, to be included in paragraph 10.4, would set out how occupational sick pay was to be paid on a pro rata basis.
 49. Subject to the inclusion of this table at paragraph 10.4, Members **approved** the updated to the Sickness Absence Management Policy.
 50. Members **noted** and **approved** the changes to the criminal records policy, probation policy and time off policy.
 51. The CEO reported that the breaks guidance was intended to supplement LeO's formal HR policies, in particular the staff handbook and working flexibly at LeO. It had been discussed with Staff Council prior to sharing with RemCo, which aimed to ensure that it was appropriately balanced given the sensitivities involved.
 52. Following discussion, Members recommended the inclusion of links to other LeO policies which formally set out the acceptable use of social media and the internet, taking personal telephone calls and religious observance whilst at work. Additionally, Members recommended some minor changes to the wording about how staff record time taken for short breaks.
 53. Subject to these amendments, RemCo **approved** the breaks guidance.

Item 8 – Update on Staff Council Refresh

54. The Head of HR gave a verbal report on the refresh of the Staff Council.
55. Staff Council membership had increased in number to ensure better representation of all areas of the business and now has a more diverse membership, representative of all groups in the organisation.
56. Following discussion, it was agreed that the Head of HR would discuss with Staff Council the possibility of holding a joint meeting with RemCo on an annual basis. If Staff Council was in agreement, the first meeting would take place on 27 February.

ACTION: Head of HR to discuss with Staff Council the possibility of holding a joint meeting with RemCo and notify the Board Secretary of the outcome of the discussion.

ACTION: Board Secretary to arrange a joint meeting between RemCo and Staff Council if required.

57. The Committee **noted** the update on the refresh of the Staff Council.

Item 9 – RemCo Terms of Reference

- 58.** Following discussion at the September RemCo meeting, it was agreed that the Committee’s Terms of Reference would be updated to reflect organisational changes and would no longer include the individual names of its members.
- 59.** Following review, Members **approved** the updated Terms of Reference, which would now be tabled at the December OLC Board meeting or final approval.

Item 10 –Previous Minutes

- 60.** Having reviewed the minutes of the previous meeting held on 25 September 2018, Members **approved** the minutes as an accurate record of the meeting.

Item 11 – Outstanding actions from previous meetings

- 61.** The Committee **noted** the update on the actions arising from previous meetings.

Item 12 – AoB

- 62.** The Board Secretary agreed to provide Members with details of how to access LINK through Office 365 and to include this information as part of the induction for new Board Members.

ACTION: Board Secretary to provide Members with details of how to access LINK through Office 365 and to include this information as part of the induction for new Board Members.

- 63.** The CEO updated Members on developments that have taken place following the RemCo telephone meeting to discuss the senior structure.