

Minutes of the sixteenth meeting

Office for Legal Complaints (OLC) Remuneration & Nomination Committee

Tuesday 13 March 2012 11.30am – 13.30pm

Present:

Rosemary Carter (Chair)
Tony Foster (Member)
Margaret Doyle (Member)

In attendance:

Rob Hezel – Director of Finance and Business Services
Adam Sampson – Chief Ombudsman
Lesley Hancock – Head of Human Resources

Acting Committee Secretary

Gurmit Sangha– Legal Ombudsman FOI and Complaints Officer

The quorum requirements for the meeting were met.

Item 1 – Welcome, apologies and conflicts of interest

1. The Chair welcomed those in attendance.
2. There were no apologies received.
3. Director of Finance and Business Services declared a potential conflict of interest with Item 13 on the agenda, discussion/approval of the executive pay policy.

Item 2 – Minutes of the previous meeting

4. Members advised, for clarity, on amendments to the draft minutes of the meeting held on 14 December 2011. The minutes, subject to the amendments, were approved for publication and for distribution to OLC Members.

Item 3 – Matters arising & action points

5. Director of Finance and Business Services advised that at this stage there were no draft HR policies to circulate to Members. The Discipline Policy, Grievance Policy, and Capability Policy have been approved by EMT and are currently with the Policy and Communications Team. The Secondment Policy, Mediation Policy, Social Media Policy, and Trade Union Policy are currently with the Policy Board following which they will be sent to EMT for approval. The Absence Management Policy remains a work in progress.

6. Members requested a hard copy of the Staff Handbook.

Action:

- The Head of Human Resources to forward to Members the Staff Handbook together with suite of HR policies.
- The Head of Human Resources to ensure that the Flexible Working Policy returns to the Committee agenda.
- The Committee Secretary to review, and revise layout of outstanding action points schedule.

Item 4 - Chair's update

7. There were no items to report since the last meeting.

Item 5 –KPMG HR and payroll audit report

8. The Head of Human Resources presented Members with a report from KPMG setting out the results of an internal audit of HR and payroll.
 - The internal audit was a key piece of work for the HR team and has resulted in a very positive report from the auditors. The auditors recognising the progress that has been made in this area.
 - The Head of Human Resources confirmed this will be a regular piece of work undertaken by the HR team
 - Both Members and those in attendance endorsed the encouraging report from the auditors, and passed on their appreciation for the work undertaken by the HR team, in attaining a positive state.

Item 6 – Report on Flexible Benefits

9. The Head of Human Resources presented the paper and members were advised that:
 - Employees are entitled to receive 3% on top of their salary as flexible benefits.
 - A procurement exercise was undertaken to obtain a supplier of benefits packages.
 - In February 2011 a staff survey was carried out to establish the types of benefits staff would be interested in.
 - Flexible benefits were launched on 17 August 2011 with a three week window for staff to select their benefits. Support and advice was provided by the HR and finance teams. The benefits went live on 1 October 2011.
 - There has been a 100% uptake in the benefits package, with most taking up the available 3% of their salary. Some did take up benefits above their available 3%, and a small amount of staff did not take up their full 3%.
 - Each month there is a two week window within which certain changes can be made to benefits.

10. Questions were invited and members were advised;
- A review will take place of the benefits available, and where it is considered feasible alternative or additional benefits will be made available.
 - The “give as you earn” scheme is classed as a benefit because it is available as an option within the additional 3% of salary, from which benefits are selected. The Chief Ombudsman advised that an independent “give as you earn” scheme will be considered.
 - Tax implications of the benefits are dealt automatically through the payroll system.

Item 7 – Report on Flexible working

11. The Head of Human Resources presented the paper on the uptake on flexible working since its launch on 1 January 2012. Members were advised that:
- All staff with management responsibilities have been provided with a guide to considering requests for flexible working.
 - There have been 36 statutory requests and 13 non-statutory requests.
 - It is anticipated that, moving forward, there may be an increase in requests for flexible working, based on a possible correlation between staff returning from maternity leave.
12. The Head of Human Resources also advised that from Monday 6 February 2012, staff are able to record any additional time they have worked and claim it back, up to one and a half days per four-week accounting period. This is managed and processed through the My HR system.
13. Members noted that 4 requests had been declined, and it would be helpful to have the reasons why requests were declined. Members were advised that a number of requests were declined due to a lack of flexibility where there would be an impact on the delivery of the service. However many had been addressed through negotiation and a compromise found, suitable for the requestor and delivery of the service.
14. The Chief Ombudsman highlighted that with the improvements in IT the ability to provide flexibility has greatly increased from setup to the present day.
15. The Director of Finance and Business Services pointed out that each request is considered on its merits and impact on the delivery of the service. However flexible working is available and a possibility for all roles.
16. The Chair noted that the report had been helpful and it would be useful to periodically receive a report on flexible working.

Action:

- The Head of Human Resources to report back to the committee details of declined requests for flexible working.

- The Head of Human Resources to periodically report to the committee on the uptake in flexible working

Item 8 – Tribunal update

17. The Head of Human Resources presented to members an Employment Tribunal update. The outstanding employment tribunal case has now been settled.
- A successful argument was presented to the tribunal on an issue of time limits, and the substantive claim was dismissed.
 - There remained a further lesser claim which was also disputed. The tribunal urged both parties to settle this claim, which was accepted. It was agreed to pay the claimant £200 and provide a reference detailing the role held by the claimant and the employment start and end dates only.

Item 9 – Salary benchmarking project.

18. The Head of Human Resources presented a paper on a proposed salary benchmarking project. It was explained that the pay policy provided a commitment to regularly review salaries and benchmark against external organisations.
19. The Director of Finance and Business Services outlined that a further driver for this project was to capture any changes in the roles of individuals. It is possible some roles may have significantly changed from how they were envisaged at set up.
20. Members noted that external HR consultants had been approached to carry out the benchmarking project. Questions were asked concerning the projects value and the consultants' ability to deliver a worthwhile piece of work.
21. The Director of Finance and Business Services explained that he had met with the consultants and expectations of the project had been made clear. The project will be a managed exercise with the HR team overseeing the work to ensure that it is fit for purpose. The consultants to be used for this work have previously worked with the HR team, and the cost of this project falls within funds previously allocated to them for a package of consultancy work.
22. The Chief Ombudsman added that he felt it will be a useful exercise to establish where the Legal Ombudsman sits within the market place, to help develop future policy and strategy. Particularly as more is now known about the roles devised at set up. However, at this stage it is an information gathering exercise, and any action following it will have to be considered within the financial climate within which the Legal Ombudsman operates.

Item 10 Staff council elections

- 23.** The Head of Human Resources provided an update on the staff council elections.
- The first term of the staff council will come to an end in March 2012. The Electoral Reform Service are currently undertaking an independent election and voting process. The new council will be made up of three staff from the Assessment Centre, three from the Resolution Centre, three from corporate areas and one from SMT.
 - At the end of March a joint meeting will; take place with the new and old staff council, with the new council taking up their responsibilities in April 2012.
 - A review of the terms of reference of the staff council will take place with the new staff council.
- 24.** An update was provided on the position of Trade Unions, and members were advised that the Public and Commercial Services Union (PCS) attended the Legal Ombudsman to provide presentations to staff. It is understood that somewhere in the region of 20 – 30 individuals have joined PCS.
- 25.** The Chief Ombudsman invited the committee to consider a Member to attend a staff council meeting. It was agreed by the Chair that a Member will attend a future staff council meeting.

ACTION:

- The Head of Human Resources to update Members once the new staff council is in operation and arrange for a Committee Member to attend a meeting of the staff council.

Item 11 HR E&D reporting

- 26.** The Head of Human Resources provided an update on equality, and diversity reporting. Work has been undertaken to identify key areas where equality and diversity focus is required within HR situations.
- 27.** The Director of Finance and Business Services informed members that the Equality and Diversity Manager had presented a positive action paper to EMT, and recommendations had been made by EMT. A re-drafted paper will be considered by EMT incorporating wider issues. Once approved it will be circulated to members
- 28.** The Chief Ombudsman explained that EMT are committed to taking ownership of equality and diversity plans, and ensuring they tie into the priorities and objectives for the Legal Ombudsman. It has also been recognised that the context has changed both internally and externally. For example there will not be large scale recruitment, on the scales seen at set up, in forthcoming year. These factors have required some additional work currently being undertaken on the paper.

Action points

- The Director of Finance and Business Services to circulate Equality and diversity paper once approved by EMT.

Item 12 Compulsory Redundancy process and timelines

29. The Director of Finance and Business Services presented a paper on the proposed process and timelines for compulsory redundancy. However there had been developments which had reduced the need for redundancy, and it is now not likely to be necessary.
30. At the recent meeting of the Office for Legal Complaints budget setting had been discussed. It was also recognised that corporate functions need to be aligned with operations staffing. To achieve this EMT had identified a reduction in the corporate headcount by seven.
31. However there has been a natural reduction in corporate numbers with staff moving on, and it is anticipated that this will continue. These posts will not be re-filled as their need is now redundant, or their function can be taken up by other areas. Therefore it is now felt that the situation can be managed without the need for compulsory redundancy.
32. The Chair stressed the importance of a clear decision, to ensure that the message to staff is unambiguous.
33. The Chief Ombudsman explained that conversations will take place with the Heads of the areas affected to discuss change and maintain accountability of numbers within their teams. The staff council will be involved where required, and there will be constructive management of any individuals affected.

Action points

- The Director of Finance and Business Services to keep members updated with developments in the reduction of corporate staff numbers.

Item 13 Executive pay policy

34. Members agreed that those in attendance whose remuneration will be governed by the executive pay policy will remain at the meeting unless individual figures are being discussed.
35. The Director of Finance and Business Services presented the paper and explained that the executive pay policy mirrors the standard pay policy. With pay linked to performance and managed around the Personal Development Review (PDR) process.
36. Members sought clarification on the dates for pay review, noting the trigger points on 1 July (inflationary), September (Personal Development Review) and October (application of changes following Personal Development Review).

- 37.** Members were advised on the background to these dates which sit around the management of the financial year and application of the PDR process. The Chief Ombudsman and Director of Finance and Business Services recognised it would be sensible for EMT to revisit these dates. With a view to linking everyone's objectives to the delivery of the corporate plan. This would consolidate the process around the 1 April.
- 38.** Members noted that any financial consequences of the PDR process on executive staff will be proposed by the CEO to the Remuneration & Nomination Committee for approval. Members requested a presentation on the PDR process, and their role in this process.
- 39.** Members suggest some amendments to wording within the pay policy to aid clarification

Action Points

- The Director of Finance and Business Services to circulate a paper on proposals for revising the key dates in the pay and performance process. To be considered at the next meeting, June 2012.
- The Director of Finance and Business Services to provide a presentation on the PDR process and the role of the committee within this process, at the next meeting June 2012
- The Director of Finance and Business Services to ensure suggested amendments are made to the pay policy.

Item 14 – Any other business

- 40.** The next meeting will be held on 13 June 2012 at 10:30 am in London

Action Points

- Committee Secretary to arrange meeting room at the offices of the Legal Services Board for the next meeting on 13 June 2012.

Gurmit Sangha
Committee Secretary
Date: