

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

**Tuesday 25 September 2018  
13:00 – 15:30**

**Present:**

Dr Bernard Herdan, Chair (by telephone)  
Elisabeth Bellamy, (by telephone)  
Dr Jane Martin, (by telephone)

**In attendance:**

Rob Powell, Chief Executive  
Rebecca Marsh, Chief Ombudsman  
Marcus Passant, Head of Human Resources  
Laura Dean, Staff Council Representative (items 5 and 6)  
Chris Wade, Staff Council Representative (items 5 and 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. The meeting was quorate.
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.
6. Since it was last reported in June 2018, the quarterly actual voluntary turnover rate had increased from 3.2% to 4.4%, the rolling voluntary annual turnover had decreased from 17.6% to 16.3% and turnover of staff with less than one year's service had increased from 17.6% to 20%.
7. The Head of HR reported on improvements to the recruitment and selection process and the supervision being offered to new starters which had been introduced to reduce the number of operational staff leaving within their first year of employment.
8. The Committee was advised that annual turnover rates could increase further as the new ways of working, introduced to improve performance, continued to embed across the organisation. The Chief Ombudsman reported that it was anticipated that it could take up to twelve months for turnover rates to stabilise.
9. The Committee, whilst keen to see more settled turnover rates, **noted** the steps being taken to drive improvements in organisational performance and the anticipated impact on staff turnover rates in months ahead.

10. Sickness rates across the organisation remained broadly consistent, however the number of days lost to work related stress had increased from 3 to 36 since it was last reported in June 2018.
11. HR and the organisation's occupational health provider were to undertake a review of long term sickness absence and adjustments.
12. The Head of HR reported that one member of staff on long term sick leave had been in receipt of income protection. A breakdown of the number of staff on long term sick leave and in receipt of income protection would be included in future HR balanced scorecard reports.

**ACTION: The Head of HR to include a breakdown of the number of staff on long term sick leave and in receipt of income protection in future HR balanced scorecard reports.**

13. The effectiveness of training score had decreased from 90% to 64% since it was last reported in June 2018. This was due to one unsatisfactory telephone skills course delivered by an external training provider. The organisation received a full refund of costs for this course.
14. The number of vacancies had reduced from 17.15% to 6.75% since it was last reported in June 2018.
15. The Head of HR reported on recruitment activity for a range of vacancies across the organisation, including a Team Leader development programme.
16. The CEO advised that the LSB had provided draft 2019/20 budget criteria, and that future recruitment activity would be dependent on the final 2019/20 budget due to be agreed in March 2019. In the dual context of absorbing legacy budget and CMC transition, this meant that further recruitment would need to be carefully considered.
17. Future recruitment activity would need to take into account the transfer of the CMC jurisdiction to the Financial Ombudsman and its impact on staffing levels.
18. The Committee **noted** the HR update.

### **Item 3 – Project Race Report**

19. The CEO presented a report setting out the findings and recommendations of a project undertaken by the Ministry of Justice Project Race team, which he had commissioned. This involved focus groups with Black and Ethnic Minority (BAME) colleagues to understand perceptions of the challenges and experiences of this group across the organisation.
20. Project Race specialists are to present their findings at a special Management Team meeting to be attended by some of the staff involved in the focus groups.
21. The key findings of the report summarised the need to support all staff to ensure they have the dexterity of language to converse positively and effectively when discussing issues of race, the requirement for better career support for BAME colleagues and the need for more BAME staff in senior roles within the organisation.

22. An action plan would be developed in collaboration with BAME colleagues and Staff Council to address the findings and recommendations in the report. The action plan would be presented to RemCo in November.

**ACTION: Board Secretary to add the Project Race action plan to the agenda for the November RemCo meeting.**

23. In discussion, the Chief Ombudsman and CEO advised that the refreshed Staff Council would be representative of the organisation. The Equality, Diversity and Inclusion Forum would be re-invigorated to ensure that the right culture was developed. They stressed their commitment to ensuring that all staff groups were able to fully participate in the organisation with no barriers.
24. The Committee **noted** the report and welcomed it as a very good report which had significant potential to help the organisation with this important agenda.

#### **Item 4 – Workforce planning update**

25. The Head of HR presented a report setting out the progress made and the current position following the introduction of the initial workforce plan presented to RemCo in September 2017 and the additional update presented to RemCo in November 2017.
26. Further workforce adjustments had been implemented following the new Chief Ombudsman's appointment including the introduction of a supervision model, the creation of a dedicated team of level 1 Ombudsman to deal with high complexity cases, a review of the front end of the business process, the introduction of new short-term operational roles to maximise capacity and performance, the recruitment of sandwich course students and an adjusted pay policy which had widened the window for promotion to help facilitate and appropriately reward development and to further leadership development.
27. The Management Team is now focusing on project work to drive a high performance culture. The Chief Ombudsman outlined the scale of the challenges faced by middle managers who are critical to the success of this project. Initial work had taken place to analyse priorities for the first phase of work.
28. A fixed term Assistant HR Business Partner was being recruited to support the high performance agenda. Management Team would be reviewing and adjusting the ratios of Team Leaders to staff.
29. The Committee commented on the volume of change and the impact on staff, and the need to support both front-line staff and line managers.
30. The Committee requested a version of the workforce plan which included numbers of staff in each role, and showed team structures diagrammatically.

**ACTION: Head of HR to provide a workforce plan update, including staff numbers proposed in each role, in the November HR report and progress on structures if available.**

31. The Committee requested sight of the organisational chart showing current team structures.

**ACTION: Head of HR to forward the organisational chart showing current team structures to RemCo members.**

32. In discussion, the Committee **noted** the significant amount of change that had been undertaken within the organisation and its impact on the workforce.
33. Further wider strategic structural and workforce challenges were outlined in the paper, these would require additional detailed work in line with the development of the 2019/20 business plan. A further update on progress would be provided in quarter 1 of 2019.

**ACTION: Board Secretary to add update on the workforce plan to the RemCo forward plan for quarter 1 of 2019.**

34. The Committee **noted** the update on the workforce plan.

#### **Item 5 – Update on the new ways of working and staff morale**

35. At the request of the Committee, Staff Council representatives, Chris Wade and Laura Dean were invited to the meeting to provide a verbal update on the new ways of working.
36. They reflected on the challenges experienced in operational teams as a result of the volume of change and its impact on staff morale.
37. They noted in particular the resource challenges over the summer months for those working in supervision roles, and the challenges of working with two case management systems. They highlighted the need for improved guidance to support operational colleagues using the new system. They fed back on how Team Leaders were increasingly required to provide data which had resulted in them having less time to support individual team members and build relationships and how the turnover of Team Leaders could impact staff morale.
38. In response, the CEO advised that the ratio of Team Leaders to Investigators was currently being reviewed and support was being given to Team Leaders to ensure that they could effectively manage their responsibilities.
39. The CEO agreed to follow up the issues raised about guidance at the next Modernising LeO Programme Board meeting.

**ACTION: CEO to follow up the issues raised about guidance at the next Modernising LeO Programme Board meeting.**
40. The Committee expressed concerns about the potential impact of the new ways of working and the high performance culture on staff morale and turnover and whether the improved performance levels could be sustained in the longer term.

## **Item 6 – Staff Council refresh**

41. The Head of HR reported that membership of the Staff Council was currently being refreshed so that representation reflected the new organisational structure.
42. A notice inviting staff to put themselves forward for election to the Staff Council had been issued. 14 Staff Council representatives were being sought. Five applications had been received to date.
43. The Committee was keen to understand why staff were reluctant to put themselves forward for this role. The Staff Council representatives present explained that high workloads and lack of personal benefits may underpin this along with a lack of understanding about what the role entailed.
44. It was **noted** that the most effective way of engaging staff was to ensure that they understood how purposeful the Staff Council forum was. To do this, the Head of HR would publicise information about how Staff Council had been involved in driving forward improvements on flexible working, parental leave and reward and recognition and the Staff Council representatives present would publicise information about their involvement and experiences as a Staff Council member.

**ACTION: Head of HR to publicise information about how Staff Council had been involved in driving forward improvements.**

**ACTION: Staff Council Representatives to publicise information about their involvement and experiences as a Staff Council member.**

45. It was **agreed** that an update on the Staff Council elections would be provided at the November RemCo meeting and a representative from Staff Council would be invited to attend the meeting.

**ACTION: Head of HR to provide an update on the Staff Council elections at the November RemCo meeting.**

**ACTION: Board Secretary to invite a member of Staff Council to attend the November RemCo meeting.**

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

## **Item 7 – Apprenticeship pay**

47. The Head of HR presented a paper setting out a costed proposal to introduce new pay rates on 1 October 2018 for apprentices in order to bring them in line with the organisation's Pay Policy.
48. The apprentice group provides a valuable resource and makes a positive contribution to the organisation. By implementing the proposed changes to introduce a Junior and Substantive pay grade, which would allow for promotion to the Substantive grade between 6 to 24 months after appointment subject to satisfactory performance, it was anticipated that the organisation would gain the flexibility to attract, retain and reward the apprentices appropriately.
49. Having undertaken market analysis, held discussions and received feedback from the apprentice group, there was an indication that current apprentice pay

scales had fallen behind and the organisation did not have a model for development.

50. The Committee enquired whether the cost of implementing this pay increase would only cover current apprentices, or whether it would cover additional apprentice costs if more were recruited. In response, the Head of HR confirmed that this cost related to the current apprentice cohort only and any expansion in the use of apprentices would lead to additional cost.
51. Having considered the proposal, the Committee **approved** the introduction of the proposed new pay rates for apprentices from 1 October 2018.

#### **Item 8 – 2018/19 learning and development plan**

52. The Head of HR presented a paper reporting on the 2018/19 learning and development priorities identified by the Operational Transformational hub, the Management Team and through the annual Performance Improvement Framework.
53. In addition to the training set out in the paper, the Head of HR reported that he was currently exploring, with the Operational Transformation hub, accreditation through the Institute of Customer Service. We are also involved with the working group on the Ombudsman Association's Case Work Competency Framework. Additionally a comprehensive month by month training and development programme had been designed for new Team Leaders.
54. The organisation's approach towards leadership development had changed and was now focussed on coaching and action learning, with very positive early feedback.
55. To mitigate issues about the poor quality of an externally delivered course on telephone skills, an in-house course has been developed based on actual calls handled by the organisation. Feedback from staff had been very positive.
56. Measuring the impact of training continued to be a challenge. The HR team was currently reviewing a number of models that could be used to measure the effectiveness of training.
57. A discussion took place about whether mystery shoppers could be used to assess the effectiveness of telephone training, but it was noted that, as all calls were recorded and could be reviewed for quality purposes, the use of mystery shoppers would not be beneficial and may create data security risks.
58. For 2018, qualitative feedback on the effectiveness of training would be captured, but in 2019 a more methodological approach would be developed, subject to resources.
59. The organisation continued to explore and consider training courses offered through the Ombudsman Association, other Ombudsman Schemes and other external training providers.
60. For completeness, the Committee asked whether the plan sufficiently covered GDPR. The Head of HR confirmed that the e-learning module Responsible for Information covered GDPR, and further training would be provided on GDPR, which should be included in the learning and development plan. The

Committee also highlighted the importance of not trying to do too much on learning and development, and the opportunity to share learning and development products and approaches with other Ombudsman.

**ACTION: Head of HR to update the 2018/19 training and development plan to include the additional GDPR training which was planned.**

61. The Committee **noted** the 2018/19 learning and development plan.

### **Item 9 – Policy approvals**

62. In line with a rolling programme to review policies to ensure that they remain fit for purpose, the CEO presented a paper proposing that the Reasonable Adjustment Policy should be removed with immediate effect as it has been superseded by guidance and information provided to staff and customers.
63. Since 2012, the organisation had developed its approach towards how it fulfils responsibilities under the Equality Act 2010. Guidance has been issued to staff through the knowledge hub and intranet and the public website includes an undertaking to provide information in other languages, large print, Braille or audio CD.
64. The Legal Ombudsman's statutory responsibility is built into its standard business process.
65. In discussion, the Committee stated that for legal purposes, it was important to ensure that the guidance issued to staff and the information set out on the public website was properly and consistently applied.
66. The Committee **approved** the removal of this policy subject to the CEO being satisfied that the Legal Ombudsman's public website and staff guidance contained sufficient information to fulfil its responsibilities under the Equality Act 2010.

### **Item 10 – Outstanding actions from previous meetings**

67. The Committee reviewed a paper setting out an update on the actions arising from previous meetings.
68. The Committee **noted** the update on actions arising from previous meetings.

### **Item 11 – RemCo 2018/19 annual self-assessment**

69. The CEO presented a paper setting out proposals for the scope, timing and approach to RemCo's 2018/19 annual self-assessment.
70. It was proposed that this year's self-assessment would take the form of a questionnaire sent to Committee members in quarter three. The responses would inform the overall Board effectiveness review.
71. It was agreed that a copy of the responses to the last self-assessment would be sent to Committee members when the 2018/19 self-assessment questionnaire is issued.

**ACTION: Board Secretary to issue a copy of the responses to the last self-assessment with the 2018/19 self-assessment questionnaire.**

72. In discussion, it was suggested that a copy of the self-assessment form could be issued to Committee members for completion when they leave the OLC.

**ACTION: Board Secretary to issue a self-assessment form to Committee members when they leave the OLC to capture their feedback.**

#### **Item 12 – AoB**

73. The CEO reported that discussions would be taking place at the next LeO Live meeting about developing the annual appraisal process. It was **agreed** that an update on the development of the annual appraisal process would be included on the agenda for the November RemCo meeting.

**ACTION: Board Secretary to add update on the development of the annual appraisal process to be included on the agenda for the November RemCo meeting.**

74. The CEO reported on early discussions that were taking place in regard to finalising the senior structure and sought the Committee's initial views on the planned approach.
75. Following discussion, the CEO confirmed that a paper setting out final proposals would be circulated to Members out of committee.
76. The CEO alerted the Committee to legal matter and agreed to keep the Committee updated on developments.
77. The next RemCo Meeting would take place on 28 November 2018, between 10:00 and 12:30 and would be followed by a RemCo to RemCo meeting in the afternoon.
78. Attendees from three external bodies' RemCos are due to attend where discussions will include strategic and workforce challenges, and shared learning opportunities.
79. Following discussion, the Board Secretary agreed to circulate an updated RemCo Terms of Reference for Members to review and agree out of committee.
80. **ACTON: Board Secretary to circulate an updated RemCo Terms of Reference for Members to review and agree.**
81. The CEO alerted the Committee to a new well-being policy that is to be developed with support from Staff Council. The policy will be tabled at a future RemCo meeting for approval.