

## Minutes of the Forty- Ninth Meeting of the Office for Legal Complaints

### Remuneration and Nomination Committee

11 March 2020

#### Present:

Dr Jane Martin, Chair  
Rod Bulmer  
Elisabeth Bellamy

#### In attendance:

Rebecca Marsh, Chief Ombudsman  
Brendan Arnold, Director of Corporate Services  
Marcus Passant, Head of HR

#### Board Secretary:

Kay Kershaw

#### Item 1 – Welcome, apologies and conflict of interest

1. The Chair welcomed those present and introductions took place.
2. There were no apologies.
3. There were no conflicts of interest reported.

#### Item 2 – Previous minutes

4. The minutes of the previous meeting held on 18 December 2019 had been circulated to the Committee for review and comment prior to the meeting.
5. Having reviewed these minutes, the Committee **approved** the previous minutes as an accurate record of the meeting.

#### Item 3 – Outstanding actions from previous meetings and matters arising

6. Having considered the data circulated in table format on recruitment waves 4 and 5 (action 4 para 24 of the previous minutes) the Committee sought to understand why so few longlisted candidates were offered jobs at the end of the selection process and asked whether, in light of this, there might be a more efficient way of dealing with the selection process.
7. The Head of HR advised that he considered the filtering of candidates through the selection process was appropriate for LeO and explained that improvements had already been made to the selection process; assessments and interviews now take place on the same day which has made the process more efficient.
8. Further to the action arising from the 2018/19 Board Effectiveness Review for RemCo 'to consider the operation of the new structure in Q2/Q3 and report back to the Board, with ARAC input about its assurance on the management of strategic risks and internal control more generally', the Chair confirmed that she had written to the OLC Chair setting out the conclusions of the Committee's

discussions at its meeting on 18 December 2019, along with the views that had been provided by the ARAC Chair.

9. Further discussions subsequently took place at the Board and private NED meetings on 27 January where it was agreed that the combination of the CO and CEO roles had been positive, but further work was required to strengthen the capacity and capability of the senior team beneath the CO in order to address the organisation's current priorities. This work is ongoing.
10. RemCo **noted** the update on actions arising from previous meetings.

#### Item 4 –People Strategy and Plan

11. The Chair thanked NEDs and the Executive for taking part in a telephone call on 7 February to discuss the development of the People Plan.
12. Having reviewed the People Plan, RemCo provided feedback and recommended further improvements before it could be submitted to the LSB as part of the supporting documentation for the OLC's 2020/21 budget application.
13. Recommendations for improvement included:
  - The introduction set out on page 2 needs to be crisper, better aligned to other corporate documents and the key facts need to be set out with intent and clarity. RemCo advised that the amendments to the introduction were not a priority and could be done at a later stage.
  - The 'Line of Sight' on page 5 needs to be further developed and aligned to information set out in other corporate documents, including the OLC's 2020/23 Strategy, the Road Map to Green, the Civil Service Survey results, the 2020/21 Business Plan and the KPIs. The 'Line of Sight' will need to take the reader through the Business Plan and Strategy and lead them to the delivery plan which is to be developed once the People Plan has been approved.
  - The graphic on page 5 and the information currently set out in each of its segments should be subsumed into the three priorities referred to on page 4.
14. RemCo was concerned that their request for further amendment to this document would delay the submission of the Budget papers to the LSB but felt strongly that further improvements were required in order to strengthen and support the application. They acknowledged that the Executive would need time to reflect on their comments and to make the amendments. The Chair offered her support to help the Executive to get this work done.
15. It was agreed that a Board telephone call would be required for Members to sign off the Budget and supporting papers.

**ACTION: Board Secretary to schedule a Board telephone call on Friday 13 March for Board Members to sign off the OLC Budget application and supporting papers.**

16. The People Plan is to be presented at the next Board meeting on 27 March for further discussion.

**ACTION: Board Secretary to ensure that the People Plan is added to the Board Forward Plan for discussion at the Board meeting on 26 March.**

#### Item 5 – Gender Pay Gap Report

17. In line with the The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017, the Legal Ombudsman is required to publish its gender pay gap as at 5 April 2019.

18. A 2% mean pay gap in favour of men was reported. This was a significant variation on previous years and reflected the change in the gender make-up of the organisation. A median pay gap of 0%, was reported; this was in line with previous years.

19. The Head of HR reported that whilst the gender pay gap was positive, it should be viewed with caution given the fluctuations in results in previous years and the impact that Pool Ombudsman have on the results.

20. Following discussion, RemCo **approved** the Gender Pay Gap report as the basis for publication on the Government and LeO websites.

#### Item 6 – Celebrating Success: Reward and Recognition Proposal 2020/21

21. The Committee reviewed and provided advice on a proposal for the 2020/21 Celebrating Success: Reward and Recognition Framework.

22. The Head of HR explained that the proposed 2020/21 scheme was to be a continuation of the 2019/ 20 scheme with the following changes:

- The end of year performance award extended to an additional 20% of staff.
- The inclusion of a new element of smaller denomination recognition vouchers.
- The introduction of a lower delegation level for instant recognition vouchers to Team Leaders.

23. The Management Team, having considered enhancing the team based element of the 2020/21 scheme, had concluded that there was little value in doing so as this element of the scheme was not well used primarily because the organisation was based on individual delivery.

24. Following discussion, it was agreed that the strategy for team awards would be reconsidered once the People Plan was finalised and embedded within the organisation, but for now it was **agreed** that the team award should remain part of the 2020/21 scheme.

25. In discussion about how the top 10% and next highest 10% of staff were identified for end of year awards, the Board Secretary **agreed** to forward minutes of previous RemCo discussions about this to Rod Bulmer.

**ACTION: Board Secretary to forward previous minutes of discussions that had taken place about how the top 10% and next highest 10% of staff were to be identified for end of year awards.**

26. The Committee discussed additional rewards that could be considered to encourage staff retention, including recognition awards for high performers with long service (5 and 10 years) and awards for high performers completing their first 12 months service. Suggestions for awards included additional holiday, instant recognition vouchers and bonus payments through payroll. The Head of HR noted the suggestions put forward and would consider their feasibility.

**ACTION: Head of HR to consider the suggestions put forward for rewards to encourage staff retention, including recognition awards for high performers with long service (5 and 10 years) and awards for high performers completing their first 12 months service.**

#### Item 7 – Civil Service Survey Results

27. The Committee discussed and commented on the results of the 2019 Civil Service Survey and the action that had been taken so far by the Management Team to address some of the feedback received.

28. Overall, the Committee was very concerned by the results of the survey. Members were especially concerned about the number of staff wishing to leave the organisation and the response to questions about leadership and change.

29. In a detailed discussion, the Committee sought to understand the underpinning issues that had led to the survey results and suggested short, medium and long term actions to address them.

30. The Executive assured the Committee that an action plan would be developed once the Strategy, Business Plan and People Plan had been finalised.

31. The Committee asked the Executive to provide an update on the progress made on the action plan at the next RemCo meeting.

**ACTION: The Head of HR to provide an update on the actions being taken in response to the Civil Service survey results at the next RemCo meeting in July.**

32. The Committee **noted** the Civil Service Survey results.

#### Item 8 – Exit Report

33. The Head of HR presented the annual exit report, which was based on feedback from exit interviews with 46 voluntary leavers between 1 January and 31 December 2019.

34. RemCo noted that during the period reported, voluntary turnover had increased; feedback stated that the main reason cited for this was personal betterment.

35. The Committee noted with concern that employee experience at LeO had declined during this period, mainly due to unacceptable workloads, and commented on how this linked closely to staff feedback following the Civil Service Survey. Members stressed that this must be taken into consideration when devising the delivery plan for the People Plan.
36. The Committee also noted that none of the leavers had cited pay and benefits as their reason for leaving the organisation and was concerned that this had contradicted previous information that had been reported to them.
37. The Committee discussed the impact of the high level of attrition within the investigator cohort on tenure, experience and productivity, noting that this was a weak spot for the organisation. The DCS assured the Committee that the information from exit interviews and the Civil Service Survey results would be used to develop a base of assumptions to address the issues around attrition. Remco asked for sight of these assumptions and data on investigator attrition.

**ACTION: The DCS to provide RemCo with data on investigator attrition and base assumptions to address the issues around attrition.**

#### Item 9 – Monitoring report on the new appraisal system – Continuous Conversations

38. The Head of HR updated the Committee on the performance and effectiveness of LeO's appraisal process - Continuous Conversations - which was introduced in May 2019.
39. In discussion RemCo was concerned that the appraisal process was not being applied consistently across all areas of the organisation. The Committee felt that the appraisal process should be enforced and monitored in order to provide them with assurance that all staff were being appraised in line with organisational policy and that individual and collective learning was being identified and performance issues could be addressed effectively.
40. The DCS advised that discussions would take place with the Management Team to identify why there was a lack of consistency across the organisation and what would be done to address this issue. He agreed to report back to RemCo on this.

**ACTION: The DCS to report back to RemCo on why the appraisal process was not being applied consistently across all areas of the organisation and what the Management Team would be doing to address this.**

#### Item 10 – Schedule of RemCo Policies

41. The Committee reviewed a schedule of policies that fell within its remit noting that progress on reviewing policies in 2019/20 had been slower than planned due to competing workload and limited resources.
42. The Committee noted the information provided and asked the Head of HR to provide them with information on when each of the policies was last reviewed and updated.

**ACTION: Head of HR to provide RemCo with information on when each of the policies that fall within its remit was last reviewed and updated.**

43. The CO reminded the Committee that it was likely that recommendations would be made following the independent review on updates to some of LeO's policies.

Item 11 – AOB

44. The Head of HR sought RemCo's views on introducing a reward scheme for staff at Head of Service and Head Ombudsman level. This group is currently excluded from the celebrating success reward and recognition scheme. In response the Committee proposed that this was discussed further at the next meeting.

**ACTION: Board Secretary to add a discussion on introducing a reward scheme for Head of Service and Head Ombudsman to the forward plan for July meeting.**