

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

**Tuesday 29 November 2017
10.00 – 12:00**

Present:

Dr Bernard Herdan Chair – by telephone
Caroline Coates Member – by telephone
Jane McCall Member – by telephone

In attendance:

Rob Powell Chief Executive
Treena Moseley Operations Manager
Marcus Passant Head of Human Resources

Apologies:

Kathryn Stone Chief Ombudsman
Simon Tunnicliffe Director of Operations

Board Secretary:

Kay Kershaw

Item 1 – Welcome, apologies and conflict of interest

The Chair welcomed and thanked those in attendance. Apologies were noted. There were no declarations of interest reported. There were no Staff Council observers in attendance.

The quorum requirements for the committee meeting were met.

Item 2 – HR Update

1. Balanced scorecard update: The Head of HR presented the Balanced Scorecard. Members noted and approved the revised format of this report.
2. The Head of HR reported on the current high level of staff turnover, drawing particular attention to the number of staff leaving the organisation within their first year of service. He advised that whilst the rolling annual turnover rate had reduced by 0.5% to 14.3%, the trend would increase over the next month.
3. A detailed discussion took place around the reasons for the high staff turnover. Members noted with concern that exit interviews indicated that staff were leaving the organisation primarily because of high workloads which, in some cases, were impacting on their well-being. Rates of pay in an increasingly competitive local market were a secondary but growing factor.
4. The CEO advised that whilst the recent Civil Service Staff Survey results indicated that staff at LeO enjoyed the type of work they did, it was the volume of that work was an issue for them.

5. Members noted the steps being taken by the Executive to address the issue around staff leaving within their first year of employment, this included reduced caseloads made up of less complex cases for staff in their induction stage and Team Leaders taking a more flexible approach towards the number and types of cases being allocated.
6. The CEO reported that he was considering the viability of introducing a training grade.
7. A further update on the progress being made to address the issues around workloads, morale, well-being and the high staff turnover were reported in the update on the Workforce Plan – see agenda item 3.
8. Occupational Health update: The Head of HR advised that after an unsuccessful tender exercise he was undertaking a further procurement exercise for an occupational health service provider for the organisation. In the interim period the contract for the current occupational health provider has been extended until the end of the year.
9. Recruitment: The Head of HR reported that recruitment activity was high with operational recruitment continuing on a rolling basis. A New Chief Ombudsman starts in post on 22 January, two IT Support Specialists, a HR Business Partner, an Apprentice to work in the Assessment Centre and Board Secretary have successfully been appointed. Recruitment for an IT Support Manager and a Legal Manager is underway.

Item 3 – Workforce Plan

10. The CEO reported on the progress being made in regard to the delivering the objectives set out in the workforce plan. This included increased recruitment activity, pay benchmarking, progress on the employee value proposition, discussions with a local university on setting up a strategic partnership and the development of an operational forecasting model.
11. It was noted that the significant issues around workloads, morale, well-being and the high levels of staff turnover meant that that positive progress being made implementing the workforce plan was unlikely to keep up with the negative consequences of the workforce issues.
12. Members felt that it would be helpful for a demonstration of the forecasting model to be given at the OLC Board meeting in January 2018.

ACTION: Board Secretary to arrange a demonstration of the forecasting model at the OLC Board meeting in January.

13. The CEO reported positive progress implementing the workforce plan. High staff turnover, driven predominantly by high workloads made it difficult to keep up with the consequences of turnover.

14. Members acknowledged the efforts being made by the Executive and noted that some initiatives may need to be put on hold in order to prioritise the main issues.

Item 4 – Civil Service Staff Survey

15. The Head of HR presented a paper outlining the results of the LeO wide Civil Service Survey results and advised that the verbatim comments would be made available to him at the end of the month.
16. 58% of staff had responded to the survey.
17. The score for inclusion and fair treatment was unchanged when compared to the results of the 2016 survey.
18. Scores for learning and development, job interest and sense of personal achievement had improved when compared to the results of the 2016 survey.
19. The scores for resources and workload, pay and benefits, leadership and managing change, organisation objectives and purpose, my manager and my team had all gone down when compared to the results of the 2016 survey.
20. There was a significant drop of 13% in the score for pay and benefits.
21. The score for resources and workload was very low when compared to other available comparator organisations.
22. 25% of staff indicated that they would like to leave the organisation within the next 12 months.
23. It was noted that the score for leadership and managing change may have been negatively influenced by the decision to bring forward the implementation of the new staffing model and the general volume and pace of change within the organisation.
24. Members felt that the issues raised by staff around pay and benefits and workloads and resources were a key priority for the organisation to address in order to recruit and retain quality staff. They noted the similarity between the Civil Service Survey results and the staff feedback from the LeO Live event and requested that this, along with the verbatim comments from the Civil Service Survey be discussed further at the next meeting, along with an action plan to address the issues raised.

ACTION: Board Secretary to add action plan and discussion on the Civil Service Survey results and feedback from LeO Live to the agenda for discussion at the next RemCo meeting in February.

25. The CEO reported that he had established a group of volunteers from across the organisation to work on addressing the key points raised.

Item 5 – Employee Value Proposition (EVP)

26. As set out in the 2017/18 business plan, LeO is currently reviewing its EVP. The Head of HR presented a paper providing an analysis of the current EVP offering and setting out the areas for development.
27. Elements and issues of the new EVP: Members supported the analysis in a series of tables setting out the current EVP offer and what needed to be further developed. They noted the large amount of work involved and were reassured to learn that delivery deadlines would be managed over time to ensure that the work was not all undertaken at once.
28. The CEO explained that taking part in the MIND well-being index would provide the organisation with a benchmark measure of workforce mental health and well-being which could inform the new Balanced Scorecard, promoting transparency and accountability for this key area. He hoped that involvement in this initiative would send a positive message to staff to assure them that the mental health of the workforce was taken very seriously by the Management Team.
29. The Committee confirmed that the areas being developed were appropriate, but felt that more should be included in regard to existing support in the section 'friendly, caring colleagues and a strong approach to your well-being'. More should also be added about the future benefits of the Modernising LeO programme in the section 'great working environment and IT'.
- ACTION: Head of HR to include more details in regard to support in the section 'friendly, caring colleagues and a strong approach to your well-being' and add more about the future benefits of the Modernising LeO programme in the section 'great working environment and IT'.**
30. Pensions: The paper reported on recent conversations about future options for LeO's Pension arrangements.
31. Members agreed with the Executive's recommendation that no further action should be taken to change LeO's pension scheme.
32. Members agreed that Life Assurance and Income Protection provided by [REDACTED] should continue. The Head of HR noted that the well regarded Employee Assistance Programme was part of the Income Protection offering. **FoIA exempt s.42**
33. Employee reward platform: The CEO confirmed that that LeO could implement the MoJ's employee reward platform provided by Edenred. Such platforms are commonly used across the wider public sector and Edenred would provide LeO with a ready-made solution to improving its offer to staff at no additional cost.

34. The platform offers staff savings on a range of products and services, childcare vouchers, cycle to work, payroll giving and recognition awards using the non-consolidated bonus pot.

35. In conclusion, and mindful of the difficult history around the previous flexible benefits scheme, the Committee agreed that final proposals should be brought to the Board for approval along with assurance about reputational risks, confirmation of MoJ approval to use the scheme and National Audit Office approval for the controls supporting recognition awards and 'Edenred' benefits.

ACTION: Board Secretary to note that the proposal for the reward platform should be tabled at the January OLC Board meeting.

36. Subject to Board's decision, it was agreed that the Executive would share its proposed staff communications plan in regard to the launch of this scheme with RemCo for approval.

ACTION: Executive to share its proposed staff communication plan about the launch of this scheme with RemCo for approval.

Item 6 – Staff well-being

37. The CEO presented a paper on staff wellbeing which highlighted the importance of enhancing an already strong well-being offer to staff and addressing issues faced by the organisation through a proposed action plan.

38. In discussion, the CEO stressed his personal commitment and the commitment of Management Team to this initiative and stated that he saw the well-being agenda as a key to unlocking engagement issues with staff and that organisations that promoted positive workplace well-being saw improved productivity and performance.

39. LeO has made a commitment to join the Time to Change campaign and has recruited 24 staff volunteers to be Mental Health champions who will drive the agenda forward alongside the CEO.

40. In order to ensure credibility, the Committee suggested that where possible, staff communications about the well-being agenda should be issued alongside communications about the significant increase in operational staff from April 2018 and the planned reduction of individual workloads so that they understood that well-being was part of a bigger package to address the underlying issues currently being experienced by staff.

41. Members strongly supported the analysis in the paper and the actions recommended whilst again cautioning against trying to do too much at once.

Item 7 – Policy approvals

42. The Head of HR presented the updated flexible working policy and advised that any proposed changes set out in the paper had been undertaken in consultation with Staff Council and other staff groups.

43. Following discussion, members approved the updated policy, and asked for it to be tabled for discussion and review of any issues arising from its implementation in a further six months' time. Members stressed the importance of empowering and supporting line managers in managing a more flexible workforce.

ACTION: Board Secretary to add review of the flexible working policy to the RemCo forward plan for further discussion in six months' time.

Item 8 – Update on previous HR actions arising from the September meeting:

44. The Head of HR presented a paper updating the Committee on HR actions arising from the September 2018, which included an analysis of assessment centre results, support for new starters and an evaluation of the leadership training.
45. In discussion, it was noted that as a result of feedback on the leadership training a monthly meeting of the wider leadership group now takes place and the group will meet for half a day twice a year to discuss relevant issues. Due to high workloads, Ombudsmen have not had the opportunity to implement the leadership training, but the new business model will provide them with the opportunity to do so.

46. The Committee noted the update provided.

Item 9 – Matters arising and outstanding actions from previous meetings:

47. Committee members noted those items where actions had been completed and those that were included as agenda items.
48. It was noted that there had been little progress in regard to identifying suitable training opportunities for RemCo members, particularly networking with other organisations' RemCos. It was agreed that the CEO would look into training opportunities within his CEO network.

ACTION: CEO to look into the training opportunities for RemCo members within his CEO network.

Item 10 – Minutes of the previous meeting

49. The Minutes of the previous meetings held on 16 February and 26 May 2017 were approved.
50. The Minutes of the meeting held on 20 September were approved subject to a minor amendment.

ACTION: The Board Secretary to publish the approved minutes of the 16 February and 26 May 2017 meetings.

Item 11 – Any Other Business

51. The CEO reported that the Pay Policy requires pay benchmarking to be undertaken every three years and, in line with this policy, a benchmarking exercise has been commissioned.
52. It was agreed that an additional RemCo meeting would take place to discuss pay benchmarking and other actions arising from the Employee Value Proposition offering if required.
53. The Board Secretary advised that she would forward dates of LeO Live and Staff Council meetings to Committee members once they had been arranged.

ACTION: The Board Secretary to email the dates of future LeO Live and Staff Council meetings to Board and RemCo Members to ensure Board attendance.

54. A discussion took place around the implications of the Assisted Prison Visits Unit taking half a floor of the Birmingham office.
55. The CEO updated the Committee on progress with a possible pilot of a delivery partner arrangements with a further update to be provided at the OLC Board meeting on 6 December.

Next meeting

27 February 2018 between 13:00 – 16:00