

Meeting	OLC Board Meeting	Agenda Item No.	5
		Paper No.	132.4
Date of meeting	25 April 2024	Time required	10 Minutes
Title	Update to Board from March 2024 RemCo Meeting		
Sponsor	Alison Sansome		
Status	OFFICIAL		
Executive summary			
<p>This paper provides OLC Board with timely high-level feedback on the discussions, decisions, actions from the recent Remuneration Committee (RemCo) held on the 20 March 2024. This meeting covered:</p> <p>Reflection on Annual Staff Council Member Meeting and Staff Council Refresh</p> <p>HR Metric on aspects of performance</p> <p>Progress on the completion of the People Strategy 2022-2024</p> <p>Approval of a New People Strategy aligned to the wider Corporate Strategy</p> <p>Civil Service People Survey Initial Analysis and Next Steps</p> <p>Annual Health and Safety Compliance Report</p> <p>Feedback is also included under the first item above on the Annual Meeting between RemCo and Staff Council Members, which was held immediately prior to the RemCo on 20 March 2024. This covered:</p> <p>Staff Council Refresh and future opportunities for more effective operation</p> <p>Civil Service People Survey.</p>			
Recommendation / action required			
Board is asked to note the update from RemCo			
Equality Diversity and Inclusion			
EDI implications	Yes		
RemCo deals with matters relating to HR Policies, KPIs, People Strategy progress and mandatory obligations e.g. Gender Pay Gap Report, which can have EDI related impacts. EDI aspects and impacts are explicitly considered in determining any required approval and actions.			
Freedom of Information Act 2000 (Fol)			
Paragraph reference	Fol exemption and summary		
Full paper	N/A		

March 2024 RemCo and Staff Council Meetings

Update to OLC Board

1. Meeting with Staff Council Members

The Committee had met with Staff Council Members immediately before this RemCo Meeting and reflected that it was always interesting and helpful to hear directly from staff, especially from Staff Council given the refresh activity currently in train.

- a. Staff Council Refresh
 - i. The Committee heard a range of views on both the progress of the Staff Council refresh and the opportunities this may deliver, as well as some frustration that it had not been possible to conclude this work more rapidly. There was recognition that the Staff Committee should ideally take a more proactive role and have awareness of and synergy with, but not overlap or replicate the revised Staff Networks. However all shared the desire to make improvements in the way the Staff Committee operated in future.
- b. Civil Service People Survey
 - i. Discussion also covered the recent Civil Survey People Survey initial results. Staff explained that they were not surprised by the results, although there was disappointment on the response rate. It was felt that there were positives and negatives to take from this survey and welcomed the follow-on safe space work planned to better understand the results.
- c. Some additional specific queries about structure (area representatives) and terms of reference (around the exclusion of pay negotiation) were raised and briefly discussed at the principles level.
- d. The Committee was grateful to the Staff Council Members for their openness in discussion and for their work to date as well as their continuing commitment the Staff Council.

2. HR People Metrics

The HR metrics were presented and discussed. Areas of note were:

- a. Attrition

Overall attrition has seen a downward trend almost every month since September 2023, with the exception being January 2024. However Investigator attrition remains higher (31.5%) than the Corporate roles attrition (21.2%), resulting in overall attrition of 21.7%. Attrition remains a key risk and therefore a key priority and the Executive had undertaken work to explore this and potential solutions further. This continued

to directly inform the development and content of the new People Strategy and the associated HR Business Plan

A workshop session for OLC Board is scheduled for after the April Board meeting, where Board Members will have the opportunity to drill into this area further.

b. Sickness Absence

This has consistently increased over the last 7 months but had fallen in February to 13.62 (which gives this a green rating based on agreed tolerances).

The main reason for absence continued to be mental health and this had remained consistent over recent months. The other main causes of absence were surgery/post operative recovery and Covid.

There were 8 'live' absence cases; predominantly long-term sick leave cases, a reduction of 17 from October 2023.

c. Probation Levels

The Committee heard that there were 35 individuals within probation, and this continues to impact productivity and workloads as individuals take time to become fully productive and additional management time/resource is required to provide the required support.

d. Casework Progress

There has been a decrease in formal employee casework generally, due to the effective, consistent application of the new HR policies, improved HR advice and coaching and more timely interventions on people issues.

3. People Strategy – Progress against the current plan

The Committee considered a summary of all that had been achieved within the People Strategy and deliverables plan that had been in place for the last 2 years. This included:

- a. • Recruitment of HR team
- b. • HR policies
- c. • Review of recruitment, onboarding and induction
- d. • Leadership Development Programme
- e. • Employee Value Proposition (including pay and benefits benchmarking)
- f. • Attrition
- g. • Review of the Staff Council and ED&I networks.

This progress had been significant and had put LeO in a much stronger position with regard to the management of its people, which had directly supported performance improvement.

The Committee commended the Head of People Strategy and Services and her team for their excellent work and all that had been achieved within this area.

4. People Strategy – Approval of a revised People Strategy

RemCo approval was sought for a new People Strategy, aligned with the wider Corporate Strategy 2024-27 and presented along with an HR focused annual deliverables plan, which will be subject to regular scrutiny by RemCo.

RemCo explored the new strategy and its deliverability through questions and discussions, which highlighted that the new strategy retains the four key themes of: Attract, recruit and retain; develop and support; promote engagement, equality, inclusion and wellbeing; and deliver responsive HR services.

The 2024/25 action plan builds upon the significant progress to date and also places a strong focus on HR system development, HR management information and automation/IT solutions for HR processes to develop more streamlined, efficient ways of working.

Work has already commenced in some areas supporting the deliverability of the plan; however HR resourcing levels, capacity and capability are critical to progress. A mixture of secondment and renewed recruitment efforts are being utilised to provide this and allow progress in the following key new areas for 2024/25:

- Development of an attraction and retention strategy, informed by the strategic review of attrition and improved recruitment processes.
- Development of the employee value proposition (EVP), building on the 2023/24 pay and benefits benchmarking exercise and improvements to existing employee benefits.
- Development of an apprenticeship framework.
- Development of a Competency Framework, setting out expectations of employees in different roles and at different levels.
- Development of a talent management and succession planning strategy.

RemCo approved the strategy. It was observed that the stronger strategic focus on the sector influence and improvement may call for new skills and job types. Although this may be implicit in some aspects of the deliverables plan, RemCo felt that there may be benefit in this being more explicit in the thinking and planning activities.

5. Civil Service People Survey

Results from the recent Civil Service People Survey were presented to the Committee, with an outline of the key themes and the next steps to enable conclusions to be reached and actions planned.

It was noted that the response rate was 57%, a 5% decrease on last year. Further breakdown showed a 50% response rate for Operations and an 80% response rate for Corporate areas. LeO's response rate was 8% lower than the Civil Service average (65%).

It was further noted that as none of the questions are mandatory, an individual may answer only one question, but their response still counts in the final response rate (against all questions). It is not possible to ascertain which questions have or have

not been answered by individuals, thereby potentially undermining the validity of the percentages across the headline results as a whole.

The engagement score represents the extent to which employees feel engaged with their organisation based on 5 key statements. LeO's score for 2023 was 56%, a 3% decrease compared to 2022 but 6% higher than in 2021.

The PERMA Index measures whether employees are 'flourishing' at work again based on 5 questions. LeO's PERMA index for 2023 was 74%, up 1% from 2022.

This year the learning and development and organisational objectives and purpose scores increased; pay and benefits was the only core theme to see a year-on-year decrease over a 3-year period. The remaining core themes saw small decreases but broadly held up following increases in 2022 and remained higher than in 2021.

In terms of next steps the Committee was advised that the findings of the People Survey were to be shared with all staff. As was the case last year, 'safe space' meetings would be held with the networks to explore further the experiences of staff with protected characteristics and caring responsibilities. Manager-led sessions with individual teams were also planned to obtain further feedback. These activities would inform further actions or initiatives.

Having received quite a detailed report and after considerable discussion RemCo observed that the survey was now quite aged and did not necessarily reflect LeO practice or offer flexibility in using it intelligently. There was support for taking any learning available from the survey, without creating an industry that was unlikely to yield any further meaningful value for the organisation, given the survey limitations.

6. Annual Health and Safety Compliance Report

RemCo noted and approved the Annual H&S Compliance report, which provided RemCo with a comprehensive update on all health and safety matters within LeO, which demonstrated progress made since last year.

Key points noted by RemCo, especially in terms of any people impacts, were:

- The full review and update of the H&S policy, Lone Working Policy and Remote Working Guidance.
- H&S staff training
- Transition from Safety Could to Atlas
- Electrical regulations update.
- The reporting of three H&S incidents, setting out next steps.
- Internal H&S Assessment in lieu of Annual H&S audit score.

7. Items for Escalation for Board

The Committee understood the Board's interest in RemCo activity and developments and therefore recognised the Board's need for visibility of this. However the Committee did not identify any areas that required escalation to Board for specific action or oversight.