Parliamentary
and Health Service
Ombudsman

Q3 PHSO Board Meeting

6 February 2015

Minutes (Final)

FINAL MINUTES OF THE PHSO BOARD MEETING

6 February 2015

CHAIR:

Dame Julie Mellor DBE, the Ombudsman (up to item 7)

Sir Jon Shortridge (from item 8)

EXECUTIVE MEMBERS:

Mick Martin, Managing Director

Mike Procter, Executive Director of Finance

Sally Sykes, Executive Director of External Affairs and Strategy

NON-EXECUTIVE MEMBERS:

Peter Freedman

Dr. Jane Martin

Sir Jon Shortridge KCB

Helen Walley

IN ATTENDANCE:

Roshni Beekharry, Business Support Officer (Observer)

Rebecca Coady, Principal Private Secretary to the Chair (Observer)

Anna Neill, Investigations Manager (Observer)

Suzannah Beazley, Chief of Staff (minute-taker)

Krista Thomas, Support to Chief of Staff

1.   **Chair's Introduction and Welcome**

1.1   The Chair welcomed Board members and three observers. There were no conflicts of
        interest items declared.

2.   **Minutes and Matters Arising from previous meeting**

2.2   The minutes and confidential minutes from the meeting held on 27 November 2014
        were accepted as read.

2.3   The Chief of Staff advised that Matters Arising were either complete or programmed to be complete by the next meeting.

The Chief of Staff confirmed that the invitation to Board members to participate in the Quality Audit sessions would be issued to both Executive and Non-Executive members.

ACTION 1: Executive Committee Administrator to ensure that any Matters Arising from Confidential Minutes are to be kept separate from the regular Matters Arising.

ACTION 2: Chief of Staff to ensure that a copy of the final minutes agreed by the Board is signed by the Chair.

ACTION 3: Executive Committee Administrator to ensure that an additional column is added to the Matters Arising to show due dates.

ACTION 4: Executive Committee Administrator to ensure that all outstanding Matters Arising from previous minutes (pre 27/11/2014) are shown on the current Matters Arising Table to show continuity (rolling log).

3.   **Chair's Report**

3.1   The Chair updated the Board on the timetable for recruiting new Board members

ACTION 5: Chief of Staff to develop and implement a board induction programme for new Executive Directors and Non-Executive Directors. Each new Board member will be given a current board member as a 'buddy' during their induction.

The Chair informed the members that:
- Peter Freedman has agreed to Chair the new Quality Committee, with Jane Martin and Helen Walley as members. External membership will be discussed later (the Chair will not be a member but she may wish to attend meetings).

- Peter Freedman will be leaving the Audit Committee. Sir Jon Shortridge and Helen Walley remain and we are recruiting a new independent Audit Committee member, and one of the new Non-Executive Directors will also be on the Audit Committee.

- One of the new Non-Executive Directors will become a member of the Remuneration Committee.

The Chair advised that it was agreed at the Board Effectiveness workshop that each Non-Executive member will "buddy" with a relevant member of the Executive Team to

develop their understanding of an area of the business:

- Peter Freedman and Jane Martin with Chris Morgan – Quality Committee
- Sir Jon Shortridge with Mike Procter – Finance and Governance
- Helen Walley with Denise Bird-Newell – Staff Engagement

ACTION 6: Executives to contact Non-Executive Directors to agree programme of engagement and action prior to next Board meeting.

3.2   The Board noted the Chair's report.

4.   Managing Director's Report

4.1   <u>Service Design</u>

The focus of discussion was on the service process chart. The Board were pleased with the progress in defining our services process and indicated they expected work to continue on the basis of what was laid out. Input from the Board for further development included:

- Further work needed to define gate 1 and 2 and whether both needed, the post decision process, taking account of behavioural insight advice, the need to specify when review is available
- Clarification of when further work is done to assess cases and when not
- Desire to see implementation plans including operational hand offs, customer and staff communications, detail of what is implemented when, staff engagement

It was accepted that further work is required on the presentation, i.e. Gates are not envisaged as ongoing feature of Service Design.

Key Changes:
- Potential for case review to be included
- Integration of further CS following assessment

ACTION 7: Managing Director to take account of Board input and reflect in the integrated change programme plans coming to the Board in March.

ACTION 8: Managing Director to refresh the Operations Risk Management and Mitigation Plans.

ACTION 9: Managing Director to refresh the From and To on the Service Design.

ACTION 10: Managing Director to share the customer feedback changes we are responding to, to the Board.

4.2   <u>Staff Engagement Feedback</u>

Following a session on staff engagement the previous evening and Board members' attendance at a 'town hall' (an open meeting for employees) meeting this morning, the Board had a wide ranging discussion on staff engagement. The main points of the discussion were:

- The corporate case for the changes in service, method and quality assurance is multi-faceted: having a greater service orientation, consistent methods and being able to quality assure decision making are all necessary in order to respond to user expectations, make sure we meet standards as we take on a higher volume of cases and are required as a 'license to operate' necessity to instil public confidence in us as an Ombudsman adjudicator.
- Acceptance of the case for change and depth of preparation for change is variable, placing sustainable change at risk. The immediate focus is to clarify, with middle managers, the case for change and their responsibility for both reinforcement of that case as the context for changes in ways of working and for the planning and implementation of change with staff.
- There need to for more opportunities for managers at all levels listen to staff to get input on how to help them make the required changes.

ACTION 11: The Executive Team to provide the Board with assurance of how the connection between top and bottom messages, delivery and achieving organisation-wide understanding of the case for change and new service model will be done, how delivered, and what it means for staff on a day-to-day basis.

5.   **Q3 Performance**

5.1   The Board reviewed performance for Quarter 3 with a focus on concerns about case durations for users. Specifically, it considered the impact on durations of the current extended waiting periods between a decision to investigate and the start of an investigation and the number of cases taking more than 52 weeks. The Board was reassured by actions taken to reduce waiting times by the establishment of specialist teams, which can progress more straightforward cases more quickly. It was also reassured by the focus of the Operations team on closing cases over or near 52 weeks.

Three key operational performance issues noted were:
- Extended waiting periods before investigations commence
- Number of cases taking longer than 12 months to complete
- Number of cases in unallocated area of process

5.2   To assist with understanding, scrutiny and support for Executive action on durations, the Board requested inclusion of duration data in the performance pack and rolling or

forecast data on older cases in addition to the snapshot data provided currently. Also data on number of cases over 12 months forecasted at full year.

ACTION 12: Director of Quality & Service Integrity to provide the additional data requested.

5.3   The Board noted operational performance on number of investigations specifically forecast at meeting full year demand for service above 4,000 cases.

6   Progress against 2014/15 Business Plan

6.1   This item was discussed under Item 5.

7   Draft 2015/16 Business Plan

7.1   The Board were content with the development of the plan so far. They thought the content reflected the Away Day and they liked the simple format. In order to be able to sign off the plan in March they indicated they would need:

- Explicit identification of plan items that help us achieve our three overarching priorities so that each can be seen both as an integral part of the overall plan and pulled out separately
- The success measures for each strategic objective developed further – these to be output or outcome measures not input or milestone measures as most are currently
- Separate and more detailed design and plans for the three major priorities of service charter/integrated change programme (including opportunities to involve staff) building resilience/public confidence, design and build capability to address big and repeated public service failures
- Information to enable assessment of feasibility: costs linked to budget, human resource, management effort
- Specific positioning of activity on items such as LGO convergence, and equality and diversity
- For the whole business plan and items within it key milestones and interdependencies, which, along with the feasibility information above, will enable the Board to calibrate achievability
- An introduction which provides the story under-pinning the plan for staff
- A description of financial scenarios and how the current plan takes account of these possible future year scenarios
- Either in March or April – a full design and plan for each strategic objective work stream

8   Finance Report against Budget

8.1   The Board reviewed and discussed the analysis of the Finance Report against the Budget.

8.2   The Board were assured that finances are in a satisfactory position with regard to meeting out turn and control totals and are confident that the rest of the year can be managed satisfactorily.

9   Casework Insight

9.1   The Board welcomed the information and agreed that a further report should be submitted, with a cover note, in July. They urged that Executives use the insight to engage with key stakeholders.

ACTION 13: Director of Insight & Strategy to provide a short cover note to explain how the Executive uses the information contained within the casework insight paper for the July Board meeting.

10   Q3 Strategic Risk Register

10.1   The Board assessed the adequacy of mitigation to reduce risk, and agreed residual risk, as presented in the Strategic Risk Register.

10.2   The Board requested that forecasting work be done from Q1 2015/16 so the Board can see if current performance is on track or not. This will enable the Board and Executive to take early action if the trajectory is heading towards non tolerance levels.

10.3   It was confirmed that the Audit Committee will carry out deep dives by Aims to provide assurance to the Board on whether the appropriate management arrangements are in place with regard to strategic risk. This will free up the Board to focus on overall assessment of residual risk and adequacy of mitigation.

10.4   The Board recognised that a number of people coming to PHSO for service is key measure of public confidence – these show good progress.

11   Resilience and Public Confidence

11.1   The Board agreed that it is a priority to become more resilient in relation to public confidence in the service for the benefit of users, staff and stakeholders. The Board stressed that resilience and public confidence is an organisation wide issue – not a

functional one within the Executive. The Board perceived disconnect between data on media, External Affairs & Strategy, and overall status of reputation - balance required.

11.2   The Board highlighted in particular that:

a) the role of the Ombudsman needs to be clearly articulated around our role as an adjudicator and;

b) that the way in which we seek to raise awareness is at a "point of need", i.e. when people need our help.

c) Identify key themes/issues affecting our resilience – items that when repeated can create perception of organisation/service weaknesses – response to such items need to include staff engagement, service improvement/change, and management of expectations at each stage of the process.

11.3   The Board agreed there is need for immediate action:

- Short-term engagement priorities and action to respond on key reputational issues.

- Stakeholder management – to audit and analyse from current data sources, plan and act to engage differently with stakeholders to promote our role.

- Business plan - to reflect this as a priority including investing in digital presence, continued use of surveys to measure perceptions and more active stakeholder management across the organisation.

- Gather feedback from service users with a broad spectrum of viewpoints – avoiding exclusive focus on small number of long standing complainants.

11.4   The Board expressed their appreciation for the Chair's work as media spokesperson.

ACTION 14: The Executive Team to audit and analyse from current data sources, plan and act to engage differently with stakeholders to promote our role regarding Stakeholder Management.

ACTION 15: The Executive Team to reflect the Business Plan as a priority including investing in digital presence, continued use of surveys to measure perceptions, and more active stakeholder management across the organisation.

12   Casework Management System

12.1   The Executive Director Finance advised the Board that the Casework Management System is in the design and build stage and that there are plans to implement it in May or June. It is a joint acquisition with LGO and that they will implement the system in 2016.

12.2   The Board was assured on progress and plans for integration with the Digital Services Project.

13   Update on PHSO's Approach to Governance

13.1   The Board considered the proposals for the implementation plans of the PHSO Approach to Governance. It advised that the short accessible front end be produced as a stand-alone, well presented, document and that the executive manual section be available electronically.

        ACTION 16: The Executive Director of Finance to provide final draft of Governance document for consideration at the March Board.

13.2   The Board noted that priorities should provide clarity in a practical way regarding:
- Who/where specific types of decisions are taken
- What the performance management and review processes are
- Requirements of management and executive in providing regular assurance on good governance and service quality
- Clear line of sight between strategic plan owned by the Board and roles of individuals within the organisation
- Clarity for organisation on resource allocation, business case management, and investments.

14   Annual Report

14.1   The Board were assured that plans for delivery were robust given the clear project management approach and production schedule provided.

14.2   At the meeting on 11th February 2015 the Audit Committee will input to the content of the Governance Statement.

15   Board Forward Programme

15.1   The Chief of Staff advised the Board that the meeting on 11th March 2015 will be for

one day only, not two as previously scheduled.

15.2　The Chief of Staff advised the Board that the meeting in October will be two full days (to accommodate the Away Day).

15.3　The Chief of Staff advised the Board that the meeting in November will start at Noon instead of 2:00pm (to accommodate workshops).

16　AOB

16.1　No items were raised.

Meeting concluded at 16h00

Chair's signature: _____ Dated: _____