



50 years of the Ombudsman service

1967-2017

PHSO BOARD OPEN SESSION MEETING

22 March 2018

Minutes (Approved)

MINUTES OF PHSO BOARD OPEN SESSION MEETING

22 March 2018

CHAIR:

Rob Behrens CBE, Ombudsman

NON-EXECUTIVES

Sir Alex Allan KCB

Elisabeth Davies

Dean Fathers

Alan Graham

Mick King

Ruth Sawtell

Sir Jon Shortridge KCB

Dr Julia Tabreham

EXECUTIVES

Amanda Campbell, Chief Executive

Gill Kilpatrick, Executive Director of Finance and Corporate Services (item 5)

Alex Robertson, Executive Director of External Affairs and Insight

IN ATTENDANCE:

Duleep Allirajah, Head of Public Affairs and Insight (item 19)

Karl Banister, Director of Legal and Governance

Andrew Dawson, Governance Officer (minutes)

Abigail Howarth, Director of Operations and Quality

Stuart Ogden, Head of ICT and Accommodation (item 17)

Martyn Schofield, Head of Governance

Warren Seddon, Director of Public Affairs and Insight (item 19)

Paula Woodward, Chief of Staff

OBSERVERS

James Hand, Head of Business Planning and Performance

Stuart Ogden, Head of ICT and Accommodation

Richard Pearson, Casework Sampler

6. Chair's Introduction and Welcome

- 6.1 The Chair welcomed members, observers and others present to the meeting. He noted that it was Jon Shortridge's last Board meeting and thanked him for the enormous contribution he had made both to the Board and the organisation.

7. Declarations of Interest

7.1 There were no declarations of interest related to any matters on the agenda.

8. Minutes and matters arising

8.1 The Board approved the minutes of the meeting held on 14 December 2017 subject to minor amendments.

8.2 The Board approved the minutes of the meeting held on 1 February 2018.

9. Chief Executive's report to the Board

9.1 The Chief Executive's report had been circulated to the Board.

9.2 Amanda Campbell said that, in her report, she had highlighted the scale and progress of the transformation within PHSO in the previous twelve months. A great deal had been achieved including completion of the consultation process; the relocation of most operations to Manchester, involving significant staffing changes; the acquisition of and move to new premises; and the delivery of a comprehensive programme of caseworker training. All of this had been achieved while remaining focussed on service delivery. PHSO were now in a position where we were starting to change the culture. Staff had responded very well to the changes and most were committed to what we were trying to achieve.

9.3 Julia Tabreham asked what assurance could be given that the Executive Team, management and staff were engaged and comfortable following the changes. Amanda Campbell said that she had spoken to staff following the recent documentary on the Financial Ombudsman Service. The issues raised in that programme were similar to the issues that were current in PHSO when she joined the organisation. Staff were now saying that those issues were no longer present in PHSO. There were some staff who remained negative, but they were a small minority and numbers were decreasing.

9.4 Julia Tabreham asked what was being done to preserve organisational knowledge. Amanda Campbell acknowledged that in the past PHSO had not done this well. However the plan for the new structure was explicitly built around staff skill sets and knowledge. Additionally, casework discussion forums had been introduced, where staff and senior management could discuss casework issues and share views and experience in open forum. These were well attended.

9.5 Dean Fathers asked what non-executive Board Members could do at the Manchester all-staff event to engage with staff. Amanda Campbell said that in her experience staff were always keen to talk to Board members, and suggested that non-executives should take the opportunity to ask staff what they thought of the organisation, and what Board members could do to contribute.

- 9.6 Dean Fathers asked whether and how the NHS Duty of Candour impacted on the work of the office. In response, Amanda Campbell said that the organisation's ICT systems currently had no mechanism to identify cases involving Duty of Candour. PHSO were looking at ways to capture such cases.
- 9.7 Elisabeth Davis asked about the relationship between PHSO and the HealthCare Safety Investigation Branch (HSIB). Amanda Campbell replied that regular meetings were held with HSIB, which had discussed matters including common aims, passing information to the Care Quality Commission, and training and accreditation. It was clear that both organisations had much to learn from each other. Elisabeth Davis said that she was concerned that HSIB's role, and the relationship with them, was being misinterpreted. Amanda Campbell said that, although HSIB are a body in jurisdiction, PHSO can and should still work with them.
- 9.8 The Board noted the Chief Executive's report.

Elisabeth Davies took the chair

10. Ombudsman's report to the Board

- 10.1 The Ombudsman's report had been circulated to Board Members. Rob Behrens said that he wished to correct an error in the report at par. 4.3. His visit to the mental health Trust was in fact his second such visit.
- 10.2 Rob Behrens said that a highlight of the past three months was his meeting the Public Services Ombudsman Group and the European Network of Ombudsmen (ENO) in March. ENO had been challenging, but it had been a very useful meeting.
- 10.3 Rob Behrens urged Board Members to attend the Open Meeting (22nd May) where James Titcombe will be a keynote speaker. James Titcombe had also agreed to contribute to Radio Ombudsman. Other future contributors included Sarah Barclay of the Medical Mediation Foundation.
- 10.4 Julia Tabreham said that she was pleased to see that engagement with European Ombudsmen was continuing. She asked whether the migration crisis was expected to result in an increase in complaints to PHSO. In response Amanda Campbell said that the impact in the UK was expected to be significantly less than in other EU countries, and the number of complaints arising from the crisis was small.
- 10.5 Dean Fathers asked what plans had been made to engage with mental health organisations following the publication of *Maintaining momentum: driving improvements in mental health care*. Rob Behrens said that PHSO's relationship with the sector was still developing. Mental health was a difficult issue as people tended to want PHSO to focus on allocation of resources. That was not the organisation's primary role. However PHSO

fully intended to build on this report and engage. Amanda Campbell said that, following publication, the office had received an email from one of the complainants featured in the report, who was *overwhelmed that you have brought my case to the public's attention* and had said that *PHSO are amazing in what they do, and what the caseworker did for me*. Rob Behrens said that he wished to place on record his thanks to everybody involved in producing the report, and particularly to the main author, Rob Bancroft. He said that the high quality of the report made it easier for the media to engage.

- 10.6 Alex Allan said that the report highlighted the benefits of transparency. Julia Tabreham said that she was pleased that human rights had been used as the theoretical framework for the report, and asked whether it would be used in other insight reports. In response, Alex Robertson said that human rights had worked well for this issue, but may not be so useful for other issues.
- 10.7 Rob Behrens said that the human rights perspective had come from a masterclass with the NIPSO, Marie Anderson, who in turn said that the original ideas came from PHSO. However there were challenges with the human rights approach, as some complainants accuse us of failing to recognise their own human rights. Mick King said that human rights were increasingly useful in cases where the body in jurisdiction had acted lawfully but in doing so had overlooked human rights issues.

Rob Behrens reassumed the chair

11. Operational Performance report - Period 10 (January) 2017/18

- 11.1 The Operational Performance Report had been distributed to Board Members.
- 11.2 Alex Robertson said that the current focus was on getting casework right from the outset. The combination of assessment and investigation work meant that PHSO now did not have separate statistics for each case type. He said that quality remained broadly stable, although the volume of unallocated casework had risen above the forecast given to the Board in December. In response, additional mitigation had been put into place. However the benefits of the casework training programme would come through in the autumn. The next six months would focus on catching up with casework. The challenge was to manage change in a way that allowed staff to concentrate on casework.
- 11.3 Jon Shortridge asked whether casework would reach a steady state by November. Alex Robertson replied that by November most caseworkers will have been in place for a year, and will all have undergone professional skills training. However there will still not have been a sustained period of stability once all of the changes had been made. We will therefore have a sense of how the changes had impacted but it may be too early to say definitively.

- 11.4 Jon Shortridge asked when PHSO will be confident that the changes are working. Abigail Howarth said that early signs were encouraging and she did not believe November was unrealistic. Elisabeth Davies asked whether the modelling used to determine the impact of the training programme on unallocated casework remained valid. Abigail Howarth replied that the modelling had correctly forecast the time staff would need to be trained. However the impact of the high numbers of new staff had not been fully assessed; the initial assumption was that, post-training, caseworkers would be effective after three months, whereas the reality was more likely to be between three and six months. However she was satisfied that the training was working and that going forward PHSO would eventually arrive at the normal planning phase.
- 11.5 Dean Fathers asked whether the possibility of learner dissatisfaction leading to customer dissatisfaction had been factored in. Abigail Howarth said that it had not, but that there was so far little evidence of learner dissatisfaction.
- 11.6 Alex Allan commented that it would be helpful if the average casework times were reported in terms of both mean and median times, as per the Business Plan. Ruth Sawtell supported this view. Alex Allan said that the Service Charter data seemed to be reporting quite miniscule changes and asked how valid these were? Alex Robertson replied that the Service Charter data was taken very seriously as it was our primary source of information about how customers perceived our service.
- 11.7 The Board **noted** the operation performance and the impact on the achievement of strategic aims set out in the report, together with the progress of PHSO's insight projects.
- 12. Corporate Health performance Report - Period 10 (January) 2017/18**
- 12.1 The Corporate Health Performance Report had been distributed to the Board.
- 12.2 Gill Kilpatrick said that sickness absence was finally starting to reduce.
- 12.3 Gill Kilpatrick reported that there had been a significant increase in the number of staff training days. The investment in staff training would continue into 2018/19.
- 12.4 Gill Kilpatrick said that Business Plan targets for 2017/18 were largely on track. There were some red entries, but most of these were in areas where work had been deliberately paused to align with the Strategy for 2018-2021.
- 12.5 The meeting discussed the Equality, Diversity and Inclusion (EDI) action plan. Ruth Sawtell asked whether any work had been done to identify whether there was a gender pay gap. Dean Fathers asked whether there was an issue with Structure of Hierarchy on gender. Gill Kilpatrick said that our equal pay work had showed there was no great problem with either a gender pay gap or the hierarchy. The gender pay gap of 9.85% was lower

than the national average. This was not included in the report as the work was incomplete. The completed work will be circulated. We planned to do a more in-depth analysis of gender pay next year. Other EDI priorities included specialist review and the delivery of EDI training. Amanda Campbell added that racial diversity at senior grades was also a concern.

Action: Gill Kilpatrick to circulate the paper on the gender pay gap.

12.6 Julia Tabreham asked whether it was planned to set formal EDI targets, such as the Civil Service benchmarks. Gill Kilpatrick said that the first step was to complete the analysis and draw up an action plan. Amanda Campbell said that the aim was to track what the Civil Service were doing.

12.7 Mick King raised a technical point about the language used in the action plan; he said that everybody has some protected characteristics, in their gender and ethnicity, and that this could be reflected more clearly in the plan.

12.8 The Board

- **noted** the report, including the impact on the achievement of strategic aims since the report to the Board on 14 December 2017.
- **noted** progress against the success criteria, deliverables and activities of the 2017/18 Business Plan and equality action plan.

13. Financial Monitoring - 31st January (Period 10)

13.1 The Financial Monitoring Report had been distributed to the Board.

13.2 Gill Kilpatrick said that she wished to highlight two issues from the report.

- The current projected underspend at the end of the year was £320k. This was considerably less than in previous years. She said that the senior leadership group had done a great deal of work to ensure that resources were utilised to support priorities.
- An error by HM Treasury meant that our Annual Managed Expenditure control total was £856k less than agreed, which might have led to automatic qualification of our accounts. Separately, we had agreed with the Millbank landlords to bring forward our end of lease dilapidation obligations to the current year. This would bring us within control totals.

13.3 Alan Graham said that he did not want the Board to be under any illusion about the seriousness of the Treasury error or the impact that qualification of our accounts might have had. The Audit and Risk Assurance Committee had been closely involved and had considered all of the risks carefully. The actions taken in respect of the lease had rectified the situation and the National Audit Office was now comfortable with the accounts. Whilst they may still be critical of the process, he believed they will not report any irregularities. Amanda Campbell said that management had now been through other areas of expenditure to ensure that the level of financial provision was adequate. We were aiming towards the middle rather than

the lower end of each range. Gill Kilpatrick said that the approach was evidence-based and she was confident NAO would accept that PHSO had acted reasonably. She said that the actions in respect of the lease would have been gone through in due course but had been brought forward at the request of the landlord, resulting in value for money as the overall cost was lower.

- 13.4 Rob Behrens said he wanted to reassure the Board that PHSO had learnt from this experience. Gill Kilpatrick said that additional control processes had been implemented. Amanda Campbell said that all decisions involving financial control totals were approved by an executive director and signed off by the Ombudsman. She said whilst a process was in place to check the figures provided to HM Treasury, it had not been expected that Treasury would get the figures wrong.
- 13.5 The Board noted the Financial Monitoring report, including the forecast end of year underspend of £320k, the forecast depreciation end of year position, and the forecast capital end of year position.

14. PHSO Business Plan and Budget 2018/19

- 14.1 The draft Business Plan and Budget had been distributed to Board members. Gill Kilpatrick presented the paper and asked whether the draft contained everything the Board expected to see and whether it was presented coherently.
- 14.2 Elisabeth Davies commented that she was pleased to see that the accountable officers had been finalised. She asked about the interface between Operations work and Strategy work. In reply, Alex Robertson said that many of the strategic elements of the Business Plan involved new ways of working. These were being taken forward by the Director of Public Affairs and Insight (Warren Seddon) and would feed into the Transformation Programme Board, which the Director of Operations and Quality (Abigail Howarth) is a member of.
- 14.3 Elisabeth Davies asked about the extent to which it was intended to involve complainants and other stakeholders in the evaluation of the Business Plan; she noted that whilst the PHSO Strategy 2018-21 referred to 'user engagement', the Business Plan referred to obtaining user feedback. Alex Robertson said that user involvement would continue through the periodic Open Meetings. Additionally PHSO were aiming to improve feedback mechanisms for complainants and for bodies in jurisdiction. Elisabeth Davies said that the Strategy committed the organisation to going further than just seeking feedback. Amanda Campbell said that in her view the wording in the Business Plan was not inconsistent with the strategic aim and that the intention was to explore many different ways of obtaining user input. Rob Behrens added that he intended to draw on the experience of the Local Government and Social Care Ombudsman, who had successfully set up user panels.
- 14.4 Commenting on the Key Performance Indicators at Annex A to the Business Plan (page 24), Elisabeth Davies asked what the thinking was behind these,

and what was the overall message they were intended to convey? Abigail Howarth responded that the priority was to look at overarching external service levels. The previous indicators were no longer fit for purpose as they divided the work into assessments and investigations and were not based in customer experience. The revised targets measured intake enquiries closed within 7 days of receipt, and cases which progressed beyond the enquiry stage, closed within 13, 26 and 52 weeks from receipt. The targets would be challenging for 2018/19, but were more realistic in the longer term.

- 14.5 Dean Fathers asked whether the new KPIs would place an additional burden on the organisation. Abigail Howarth said that some KPIs had been removed; the number of KPIs was similar to previous years.
- 14.6 Dean Fathers asked how customer satisfaction would be measured. Amanda Campbell replied that this would continue to be monitored through the service charter, and would now include feedback from bodies in jurisdiction in addition to complainants.
- 14.7 Ruth Sawtell asked whether the Executive Team were satisfied that the Business Plan was achievable. Alex Robertson said that at the last meeting the Board had talked about having the right people in the right place to deliver. Since then there had been a major reallocation of staff resources, and the Business Plan had been reworked and invigorated. He was satisfied that we were in a good place to meet the challenges we face. Gill Kilpatrick said that all staff and managers recognise that the Business Plan is a priority, and that if activities other than core business are not in the plan they should not happen. It was the Executive Team's responsibility to keep a grip on this.
- 14.8 Ruth Sawtell asked where Insight was covered in the Business Plan. Alex Robertson replied that, whilst several of the activities under the Plan referred to Insight, there was no single activity or numerical target. Amanda Campbell added that the approach differed from previous years in that we had decided not to identify and work towards a high-impact report. Rather, opportunities for insight-based reports were expected to emerge throughout the year. Rob Behrens said that in his view Insight must flow from complaint handling, not vice versa. Alex Robertson added that it was not possible to automate the collection of insight data due to the limitations of our ICT.
- 14.9 Julia Tabreham noted that the cost implications of activity arising from scoping and research exercises (Annex A, page 31, risk 2) were rated as a 'red' risk to delivery and asked how significant this was. Amanda Campbell said that the risk was as stated. PHSO could not commit at this stage to open ended funding for all activities over a three-year cycle. It was first necessary to scope the activity and then to keep costs under review.
- 14.10 Alan Graham asked whether the Resource budget allocations (Annex A, Page 29) reflected the revised senior structure, and whether the figures reflected Spending Review requirements. Gill Kilpatrick confirmed that the

figures for 2018/19 onwards were based on the new structure. She said that the allocations took into account the Spending Review, but that figures were not yet available for 2020/21.

- 14.11 Gill Kilpatrick said that the resource budget allocation included an additional £400k for ICT, and an additional £300k for human resources. The budget was balanced for 2018/19, whilst reflecting the needs of the business.
- 14.12 Alex Allan asked why the reduction in expenditure on Operations for 2018/19 was greater than that for Corporate Services. Gill Kilpatrick explained that Corporate Services expenditure had been reduced significantly in 2017/18 so there was limited scope for reduction next year. Additionally Corporate Services' budget included all accommodation expenditure.
- 14.13 Dean Fathers asked whether there was sufficient resource for ICT training. Gill Kilpatrick said that this was included in the Learning and Development budget and was separate to the ICT budget.
- 14.14 Jon Shortridge noted that there was a potential overspend of £646k in 2020/21 and asked how this would be managed. Gill Kilpatrick said that this would be addressed in the future Financial Strategy. However we also needed to consider what would be needed to deliver Objective 3, and how ambitious we wanted to be about this. Amanda Campbell said that expenditure on Objective 3 would depend on what we could afford.
- 14.15 The Board approved the Business Plan and Budget.

15. Risk Tolerances 2018/19

- 15.1 A paper by James Hand, Head of Business Planning and Performance, had been distributed to the Board.
- 15.2 Leading the discussion, Gill Kilpatrick asked for the Board's view on the proposed tolerances. Amanda Campbell said that the risk tolerance approach was not common in the public sector. The figures used had been considered carefully, but inevitably involved a degree of estimation. Elisabeth Davies said that the approach used was reasonable.
- 15.3 Ruth Sawtell said that 100 cases open for over 52 weeks for a period of 6 consecutive months seemed to be a high tolerance. Amanda Campbell said that, whilst the number of old investigations was reducing, this was an area where we needed to be realistic. There were currently a high number of such cases which had for various reasons become entrenched and would be difficult to clear. Once these were worked through, numbers would fall more quickly. But 6 months was a realistic assessment of how long this might take.
- 15.4 The Board approved the proposed risk tolerances.

16. Annual Report & Accounts 2017/18 - Key messages and content

- 16.1 A paper by Alex Robertson, Executive Director of External Affairs and Insight, had been distributed to Board members.
- 16.2 Martyn Schofield, Head of Governance, said that the aim of the paper was to keep the Board informed about the development of the annual report and their opportunity to have input. The proposed content was summarised in Annex 1, which also highlighted how the content was different from 2016/17. Key messages were detailed in Annex 2.
- 16.3 The Board **noted** the proposed content of the annual report at Annex 1 and the key messages at Annex 2.

17. Strategic Risk Report and Register

- 17.1 A paper by James Hand, Head of Business Planning and Performance, had been distributed to Board members.
- 17.2 Amanda Campbell led the Board discussion. She said that we wanted to close strategic risk 8 (ICT capability, stability, accessibility and workability), as the risk was mainly about stability and our ICT systems were not unstable. There was some remaining risk on accessibility, but we were now working on that. This had been opened as a new risk (strategic risk 14). She concluded that the key risk now was that demand for our service may increase (strategic risk 1).
- 17.3 Amanda Campbell asked Stuart Ogden (Head of ICT and Accommodation) for his view of the state of our ICT systems. Stuart Ogden joined the meeting. He said that on joining PHSO six months ago, he had found that staff were not using the system well and the system capability was poor. Our technology was functional but outdated, and needed upgrading. However it was stable. He said that he was developing an ICT Plan for the Senior Leadership Group in line with the PHSO Strategy.
- 17.4 Alan Graham said that these comments were helpful. He had been concerned in the past about the absence of an ICT strategy. Stuart Ogden agreed that the organisation had been reactive in the past. However we were now responding to staff concerns and requests, and fixing problems. He planned to hold meetings with staff to discover what further improvements were needed.
- 17.5 Alan Graham asked whether the financial resource allocated to ICT in the 2018/19 budget was sufficient. Stuart Ogden said that, whilst further planning was needed, he believed that the numbers were broadly correct. Alex Robertson added that we were now in a far stronger position to deliver ICT change and were able to align ICT requirements with other business needs.
- 17.6 Jon Shortridge said that he was still seeking assurance that we had full funding in place to deal with whatever problems might arise. Gill Kilpatrick said that £400k-£500k had been set aside to meet any additional ICT requirements arising from the PHSO Strategy.

- 17.7 Jon Shortridge commented that in the past we had had to customise whatever ICT systems we had bought, which in his experience was never an ideal position. He asked whether previous ICT procurement had been wrong. In response, Amanda Campbell said that we had bought a case management system which should have worked but then set it up in a way that evidently did not. The options now were either to fix it or replace it. Stuart Ogden added that off-the-shelf systems almost always required customisation.
- 17.8 Jon Shortridge asked about the budgetary implications of replacing the system. Amanda Campbell said that clearly there were significant implications, but that these were not immediate. Gill Kilpatrick added that, whilst ICT stability was no longer a strategic risk, it was still appropriate to review it. Mick King said that PHSO was in a similar position to most other Ombudsmen, in that there was no ideal off-the-shelf solution to meet all of our ICT requirements
- 17.9 Alex Allan commented that he was still unsure about how the risk could be removed. Ruth Sawtell added that she understood that the system was now stable, but remained uneasy that the system did not fully meet all requirements. Jon Shortridge said that he remained of the view that the lack of fit-for purpose ICT was a strategic risk. Rob Behrens concluded that there was a degree of scepticism about the closure of strategic risk 8 and that it should remain open. Gill Kilpatrick suggested that a broader ICT report might be helpful to the Board.

Action: ICT risk to be added to the Agenda for the June Board meeting (Martyn Schofield).

Action: Gill Kilpatrick to submit a paper on ICT to the June Board meeting, covering fitness for purpose, proposed improvements, and strategic proposals.

18. General Data Protection Regulations (GDPR)

- 18.1 A report by Angharad Jackson (Head of Information Assurance) had been distributed to Board members. Gill Kilpatrick led the Board discussion.
- 18.2 Gill Kilpatrick said that she wished to assure the Board that we had made significant progress in relation to compliance with GDPR by the deadline of 25 May 2018. In particular we had appointed an accredited professional (Angharad Jackson) as our Data Protection Officer, and had asked the Information Commissioner's Office to carry out an audit using GDPR controls. The audit report is due in April; however initial feedback from the audit team leader was positive.
- 18.3 Dean Fathers asked if there were any concerns about the interface between GDPR and the Freedom of Information Act; specifically whether release of information under FOI might constitute a data breach. In response Karl Banister said that it was appropriate for the Board to discuss this. He was not aware that we had ever released information under FOI which might

constitute a data breach, but the possibility was clearly there and a careful balance would be required.

18.4 Jon Shortridge asked whether the Local Government and Social Care Ombudsman (LGSCO) had found dealing with information requests any easier since they started publishing all reports. Mick King replied that requests are usually for file contents and that publication had made little difference. Karl Banister said that we now needed to retain files for two years in case of possible complaints about us or judicial reviews. Gill Kilpatrick added that the Business Plan included a review of the publication scheme, which was aimed at reducing the number of repeat FOI requests.

18.5 Elisabeth Davies said that the Board needed to be aware of the increased risk, highlighted at paragraph 5.2 of the report, arising from the enhanced rights of individuals.

18.6 The Board noted the report.

19. Delivering Strategic Objective 2

19.1 Warren Seddon ((Director of Public Affairs and Insight) and Duleep Allirajah (Head of Public Affairs and Insight) joined the meeting. A paper by Warren Seddon had been distributed to Board members.

19.2 Warren Seddon said that the purpose of the paper was to provide an update for the Board on how we proposed to deliver Strategic Objective 2, which was our commitment to increase transparency, and to obtain feedback on the proposals.

19.3 Elisabeth Davies asked, in relation to publishing information about compliance, how we intended to track action on systemic remedies. In response Duleep Allirajah said that the aim of publication was to increase transparency. However it was not PHSO's role to hold bodies in jurisdiction to account. Rather the aim was to provide the appropriate regulators with information. Rob Behrens said that regulators had welcomed our clarification that our role was to resolve complaints. Dean Fathers said that he did not see a conflict. Mick King said that we should be careful not to drift into a regulatory role, but it was essential that that we followed up on our recommendations for remedy. We should seek assurance, but it was not our role either to audit systemic outcomes or to measure impact. Rob Behrens concluded by saying that we should share reports and action plans with regulators directly rather than asking the body in jurisdiction to do so.

19.4 Dean Fathers said that the tables about the types of health complaint (Annex 1 Section 5) were extremely useful and he was keen that this information should be made available to the NHS.

19.5 Alex Allan asked whether the proposed one-off case publications (paragraph 3.5) would include Parliamentary cases. Warren Seddon confirmed that cases from both jurisdictions would be considered; cases may be published either as a one-off or to reinforce previous reports.

19.6 The Board **noted** the scope of activity planned as outlined in the paper and **agreed** that it set the right direction of travel.

20. Review of Board Effectiveness and Development

20.1 A report by Martyn Schofield, Head of Governance, had been distributed to the Board.

20.1 Martyn Schofield explained that her report set out the findings of the annual effectiveness review undertaken by the Board on 1 February 2018, as well as the reviews carried out by the Quality Committee and the Audit and Risk Assurance Committee (ARAC). She was now seeking the Board's approval for the amended terms of reference for those committees. She also asked the Board to note the proposed Committee memberships.

20.2 Dean Fathers asked where 'workforce' issues were discussed in committees. Amanda Campbell explained that these were handled by the Board rather than in committee, but were also discussed by the Executive Team. Dean Fathers asked whether the Board had enough time. Martyn Schofield said that these were strategic responsibilities which were matters for the Board. Rob Behrens said that there was no reason why the committees should not carry out a 'deeper dive' of strategic issues, but that this should not duplicate the work of the executive team. Alan Graham added that ARAC looked at policies, including workforce policies, but not at underlying performance or delivery.

20.3 Dean Fathers asked whether PHSO had a 'Freedom to speak up' guardian. Rob Behrens replied that we did not as yet. He recognised that there were concerns about how well this worked in the NHS. Amanda Campbell said that we do have a Whistleblowing policy and that all staff had free access to both her and to Rob Behrens; in her experience staff felt free to speak up about matters of concern. She added that our Dignity at Work Network fulfilled a similar role, but that we should consider whether a formal 'guardian' role was needed. Alan Graham said that ARAC were looking specifically at the matter of whistleblowing.

20.4 Ruth Sawtell said that she had no comments on the revised ARAC terms of reference.

20.5 Elisabeth Davies said that the changes to the Quality Committee's terms of reference reflected the move away from the Service Charter as the sole measure of quality, and the crossover between the work of the Quality Committee and wider issues of quality in the organisation.

20.6 The Board:

- **Noted** the assurance from the review of compliance with the Board and Committees' Terms of Reference;
- **Noted** the findings from the Committee effectiveness reviews and the actions to be implemented to address those findings;
- **Approved** the amended ARAC and Quality Committee Terms of Reference;

- **Noted** the proposed Committee memberships.

21. Governance Framework

- 21.1 A report by Martyn Schofield had been distributed to the Board. Martyn Schofield explained that the report was asking the Board to approve the revised Governance Framework attached at Annex 1 to the report. She said that further changes would be incorporated if required once the senior staffing review had been concluded.
- 21.2 Alan Graham said that the changes to the Governance Framework were in response to an Internal Audit recommendation. However he wished to highlight that we had a 'significant assurance' rating and that there was nothing fundamentally wrong with our governance arrangements.
- 21.3 Ruth Sawtell asked whether ARAC needed a member who was a qualified accountant. Martyn Schofield confirmed that this was not a requirement. The ARAC terms of reference required committee members to have requisite knowledge and skills and the Chair to have relevant experience. Alan Graham added that the current independent member was a qualified accountant.
- 21.4 Dean Fathers asked whether the Governance framework should include a 'fit and proper person' declaration. Gill Kilpatrick confirmed that this formed part of Board Members' annual renewal.
- 21.5 The Board **approved** the amended Governance framework, including the Standing Orders, Code of Conduct and Scheme of Delegation.

22. Report: Audit and Risk assurance Committee (ARAC)

- 22.1 Minutes of the ARAC meeting of 29 November 2017 and draft minutes of the meeting of 1 March 2018 had been distributed. Alan Graham, Committee Chair, provided the Board with an update on matters discussed by ARAC at the meeting on 1 March 2018.
- 22.2 The Committee had discussed in detail the Annual Managed Expenditure error in PHSO's Supplementary Estimate, the actions taken to resolve this, the lessons learned from the process and the possible risks which could have arisen if the matter was not resolved. Alan Graham said that he had recently engaged closely with the National Audit Office about the possible risks.
- 22.3 The Committee had discussed the National Audit Office's revised Audit Planning Report for the 2017/18 Annual Report and Accounts following a request by the Committee to revise the wording. The Committee had further considered the principle risks which the auditors proposed to examine in depth, including the Annual Managed Expenditure error.
- 22.4 KPMG had reported to the Committee on progress in finalising the 2018/19 Internal Audit Plan. Six areas had been chosen for review.

- 22.5 The Committee was pleased to have received from KPMG the final report on Governance and Risk management, which had received a ‘significant’ amber/green assurance rating.
- 22.6 The Committee had received and reviewed the Strategic risk Register and Risk Report, the quarterly Procurement Compliance report and the Information Governance report, which included progress on the General Data Protection Regulations.
- 22.7 The Committee had completed its Effectiveness review. One of the key outcomes was that ARAC had identified a need to prioritise its approach to understanding specific risk areas and the assurance it received in relation to these risks.
- 22.8 The Committee had discussed the report on the revised Governance Framework and had agreed to recommend to the Board some changes in the Risk Management Strategy and the Scheme of Delegation.
- 22.9 The Committee had reviewed the timetable and plan for the production of the PHSO Annual Report and Accounts, and the oversight arrangements for this process.
- 22.10 Alan Graham advised the Board that on 14 June 2018 at 1.00pm it was proposed to carry out a ‘Technical Walkthrough’ of the accounts prior to submission to the Board. This would provide ARAC members with the opportunity to discuss the accounts in detail with the Finance team. Alan Graham extended an open invitation to attend this discussion to all non-executive Board members and to members of the senior management team.
- 22.11 The next ARAC meeting on 10 May 2018 will include a closer look at Value For Money.

23. Report: Quality Committee

- 23.1 Draft minutes of the Quality Committee meeting of 22 February 2018 had been circulated. Elisabeth Davies (Committee Chair) provided the Board with an update on the Committee’s activities and priorities.
- 23.2 One of the Committee’s priorities was the co-ordination and alignment of data. The Committee now received data from three separate sources. Some crossover of data was beginning to emerge. The Committee had asked the Executive Director of External Affairs and Insight to prepare a ‘route map’ showing how we would move towards full triangulation.
- 23.4 The Committee’s other priority was on Quality beyond the Service Charter. The forthcoming Quality Review would seek to define what was meant by quality at PHSO, how it was measured and how it could be improved.
- 23.5 The Committee were particularly interested in the issue of external challenge, and were considering how to best bring in the voices of complainants and bodies in jurisdiction into discussions on quality.

- 23.6 All future Quality Committee meetings would now take place in Manchester. Elisabeth Davies said that she wanted to work closely with the Quality Team.
- 23.7 Elisabeth Davies said that Dean Fathers was joining the Committee. She welcomed his appointment.
- 23.8 Alex Allan said that he was very interested in the Behavioural Insight work referred to in the draft Committee minutes (par 4.12). Alex Robertson said that the first stage of this work was now complete and had identified some key areas and some letters which could be improved.

24. Any Other Business

- 24.1 Rob Behrens said that he was planning an awayday for the Board and senior management. He thanked Mick King for this suggestion.

25. Review of meeting

- 25.1 Rob Behrens asked Paula Woodward (Chief of Staff) for her view on the meeting. Paula Woodward said that it was clear from the nature and tone of the Board's discussions that PHSO was 'on the way up'. There had been a positive vibe throughout the meeting, and the Board had recognised that there was still a lot to do. She said that the sound in the Westminster Room was not ideal due to the constant air-conditioning noise. She concluded that the meeting could have been better if there had been more strategic focus rather than discussion of points of detail, although this probably reflected where the organisation was at the moment.
- 25.2 Jon Shortridge said that discussion of detail was important as the Board's role was to protect the organisation's reputation.
- 25.3 Mick King said that the Board sometimes tended to focus on negative and high risk issues. He felt that at times this needed to be balanced with praise for positive developments. Elisabeth Davies agreed, saying that the reference to the complainant's email in the Chief Executive's report was a good example. She said that we should systematically feedback positive messages, and that focus on good practice provided useful material for the Quality Committee.
- 25.4 Amanda Campbell said that positive developments needed to have more visibility around PHSO's offices. Dean Fathers suggested that there could be visual displays in the Boardroom. Rob Behrens agreed that we needed to make better use of display space, and said that he had offered space in Manchester to display patients' paintings from the NHS mental health trust that he had visited recently.
- 25.5 Abigail Howarth suggested that PHSO's values could be printed on staff ID lanyards, as she had seen in other organisations.

26. Next meeting and forward plan

26.1 The next meeting would be the quarterly Board meeting on 21 June 2018, to be held in London.

The meeting ended at 16:00