

**Minutes of the Board Open Session meeting held on 11 December 2025 at
Millbank Tower, London**

CHAIR

Paula Sussex, Ombudsman

NON-EXECUTIVE MEMBERS

Polly Curtis, Senior Independent Member
John Ainsworth (via Teams)
Amerdeep Clarke, *ex officio* Member
Anne Davies
Michael Parsons
Anu Singh
Dave Thompson

EXECUTIVE MEMBERS

Rebecca Hilsenrath, Chief Executive Officer
Karl Banister, Director, Operations, Legal and Clinical

APOLOGIES

None

IN ATTENDANCE

Scott Stevenson, Director of Strategy
Maria Mansfeld, Chief of Staff & Interim Director of Resources
Barry Topham, Chief Digital and Transformation Officer
Mark Muirhead, Assistant Director, Digital, Data and Technology (Item 11)
Hazel Waddington, Assistant Director, Transformation Items 12.1 and 13.1)(via
Teams)
Katy Connon, Assistant Director, People and Talent (Item 14.1)
Donna Linton, Governance and Risk Manager (minutes)
Andrew Dawson, Governance Officer

OBSERVERS - INTERNAL

Nicola Easton, Deputy Director, Legal
Brad Denton, Governance Officer

5. Chair's Introduction and Welcome

- 5.1 The Chair welcomed members and attendees to the meeting.
- 5.2 The Chair identified the focus of the meeting as items 10 (Strategy Development Report) and 11 (Digital Partner Update).

6. Declarations of Interest

- 6.1 Paula Sussex declared a potential conflict of interest arising from her former role as Chief Executive of the Charity Commission. David Holdsworth (now CEO of the Charity Commission) was her deputy between 2016-2017.

7. Minutes and Matters Arising from the meeting on 17 September 2025

- 7.1 Members agreed the minutes as a true and accurate record.
- 7.2 Members noted that all matters arising are complete or on track.

STRATEGY**8. Ombudsman's Report**

- 8.1 Members received a report from the Ombudsman.
- 8.2 The Ombudsman advised that the last three months since the Board meeting had been much busier with a wide range of external meetings taking place. These meetings had improved her understanding of the environment in which we operate and helped form the vision for the organisation that was launched at the All Colleague Event 'Our Visit, Our Future' held in Manchester on 2 December 2025.
- 9.3 The Ombudsman, along with the Chief Executive (CEO) and Director of Operations, Legal and Clinical, had attended a private meeting with the Public Administration and Constitutional Affairs Committee (PACAC). At this meeting the strategic direction as well as the challenges presented by rising demand were discussed. A further meeting was due to take place with PACAC in February where the results of the PVM change would be discussed.
- 9.4 The Ombudsman advised that a briefing paper on demand across the public service ombudsman landscape had been published today on PHSO website. A link to the briefing paper would be circulated to Board members outside the meeting.
- 9.5 The Ombudsman discussed the unprecedented demand for the service. This is an ongoing trend across the sector. The Ombudsman had written to other UK Ombudsman offices asking them to share relevant information, with a view to publish the findings by the end of 2025. A detailed research project supported by King's College was due to commence in the new year, exploring the underlying causes of the increase. The report would be shared with the Board members in due course.

9.6 Board members discussed in detail the possible drivers for demand with specific reference to what might impact demand in the future. They welcomed the work that was taking place across the sector to gain a better understanding on the demand increase.

9.7 Board members commended the Ombudsman on her achievement in engaging external stakeholders and the work taking place to improve collaborative working.

Action: The Governance team to circulate the Briefing paper on Demand across the public service ombudsman landscape.

10. Chief Executive's Report to the Board

10.1 Members received a report from the CEO.

10.2 The CEO drew the Board's attention to the key points in her report, which advised that in November the change to the Public Value Model (PVM) was implemented, moving from declining cases scoring 2 and below at triage, to declining cases scoring 3 and below.

10.3 In February 2026, the Executive Team (ET) were due to discuss demand management, including digital efficiencies, the expected impact on the organisation of systemic casework, the results of the PVM change and future forecasting.

10.4 A review had taken place of the approach to financial remedy, in order to assess whether the current model remained appropriate and in line with the wider strategic ambitions. All recommendations had been accepted and would be implemented.

10.5 The CEO provided further information on financial remedy explaining the difference between 'direct' and 'indirect' loss and how injustice was reviewed and compensated.

10.6 The CEO reminded the Board about how we had failed to appoint a permanent Director of Resources earlier this autumn. It had been agreed that in the new year, all the Corporate Services teams would move to report to the Director of Strategy, who would take on a new role as Director of Strategy and Resources. The Assistant Director of Finance worked closely with ET providing financial advice and would attend all future Board meetings.

Action: The Board to receive a 'Deep Dive' report on Demand at the next meeting in March, following the discussion at ET in February 2026.

11. Strategy Development

11.1 Members received a paper from the Director of Strategy (DoS) which provided an update on the development of PHSO's next corporate strategy and sought approval for key decisions.

- 11.2 DoS advised that following the Board workshop which took place on 17 November, further work had taken place to further develop the framing of the strategic pillars, objectives and the measurement framework.
- 11.3 DoS advised that the findings from the research into re-branding the organisation were detailed in Annex 4 of the report. The research showed that there were low levels of understanding of PHSO's name and that was considered complex and confusing.
- 11.4 Members made the following points in discussion relating to the strategy, including re-branding:
- Board members felt the workshop was a useful exercise and welcomed the Measurement Framework, as detailed at Annex 5 to the report.
- 11.12 Board members welcomed the level of engagement that had taken place both internally and externally. At the staff workshops, staff had provided good insight and challenge.
- 11.13 Board members supported the rebranding exercise and timeline. However, there were concerns about receiving negative press about public sector spending and how this should be flagged as a potential risk.
- 11.14 In response to the queries regarding the rebranding, DoS confirmed that work with key stakeholders would commence from January to prepare for the transition, and any associated costs would be kept to a minimum.
- 11.5 DoS thanked members for their input in developing the Strategy.
- 11.6 The Board **agreed** to producing a five-year strategy, with a substantive review after three years.
- 11.7 The Board **approved** the overarching strategic approach.
- 11.8 The Board **agreed** to proceed with work to enable PHSO to rebrand the organisation next year, as detailed in Annex 4 of the report.

12. Digital Partner Progress Report

- 12.1 Members received a presentation from the Chief Digital and Transformation Officer (CDTO) which provided a digital partnership update including AI Ethics and Transparency Policy.
- 12.2 The CDTO introduced the newly appointed Assistant Director, Digital, Data and Technology.
- 12.4 Members made the following points in discussion relating to the presentation, which included:
- Seeking clarity on how EDI was aligned in the AI Ethics and Transparency Policy.
 - Raising concerns about AI being a final decision-maker and the need to ensure that human-decision making / engagement was not unlawfully substituted.

- Reflection on governance around the project which included auditing of the guardrails and the suggestion that consideration should be given to including an external member in the new Governance Board.
- Asking how the AI system would be trained to ensure accuracy. The need to update the current casework process map.

12.5 The CDTO confirmed that the Data and AI Strategy and AI and Ethics and Transparency Policy had been drafted and were due to be considered by ET on 17 December 2025 for sign-off. The AI tools had been built in consultation with the workforce and he was confident that these would align to the organisation's working practice. He confirmed that all caseworkers would be fully trained in the use of AI and the future working practices were still in the process of being developed.

12.6 The CDTO confirmed that the PHSO Assist Product was in the Private Beta stage and this should be completed in the next 4 weeks. The AI system would be tested by users prior to roll-out. The development of automated regression testing across our digital platforms was also reported to be underway.

12.7 The CDTO welcomed the suggestion of an external member of the Governance Board and would give this further consideration.

12.8 The Board **noted** the progress update.

13. RISK

13.1 Strategic Risk Register

13.1.1 Members received a report from the Assistant Director, Transformation, including the Strategic Risk Register and Corporate Issues Log. These had been scrutinised by the Audit and Risk Assurance Committee (ARAC) on 19 November 2025.

13.3 The Board **noted** the updated Strategic Risk Register.

14. PERFORMANCE

14.1 Business Plan and Strategy Delivery Report 2025/26 (Period 7)

14.1.1 Members noted the report, with no comments.

14.2 Operations and Corporate Performance Report, October 2025/26 (Period 7)

14.2.1 Members noted the report, with no comments.

14.3 Financial Position 2025/26 - September 2026 (Period 6)

14.3.1 Members noted the report, with no comments.

15. PEOPLE, EQUALITY, DIVERSITY AND INCLUSION

15.1 People Update

15.1.1 Members received a report from the Assistant Director, People and Talent.

- 15.1.2 Board members referred to Annex 1 - Workforce Summary and asked why these data metric had been chosen for consideration. The Assistant Director advised that these were a snapshot of key information from across the organisation. She referred to the decline in turnover and how this needed to be monitored to ensure that there was an opportunity for new talent to join the organisation.
- 15.1.3 Board members discussed the current two-year Reply contract and sought clarity on whether knowledge transfer was included in the current contract. The CDTO confirmed that knowledge transfer was active with Reply and this included regular testing.
- 15.1.4 Board members discussed the challenges of AI in recruitment and how this was being managed by the organisation.
- 15.1.5 The Board noted the report.

Action: The Board to receive a Workforce Plan and Skills Update at the next Board meeting in March 2026.

16. COMMITTEE UPDATES

16.1 Audit and Risk Assurance Committee (ARAC)

- 16.1.1 Members noted an update from the Committee Chair from the meeting held on 19 November 2025, and confirmed that the Committee had commissioned an Assurance Review (May 2026) on the operation and mitigation of the newly added strategic risk relating to casework decisions and service impact.

16.2 Strategic Delivery Committee

- 16.2.1 Members noted an update from the Committee Chair, from the ad hoc meeting held on 16 October and confirmed that the Committee considered the three strategic themes, namely: communication; effective commissioning and contracting; and learning from complaints and that they had shared their views on the appropriate approach going forward.
- 16.2.2 Members noted an update from the Committee Chair, from the meeting held on 27 November 2025, and confirmed that the Committee had arranged to meet with the Chief of Staff to agree the forward plan ahead of the March meeting, that would likely include items on developing the Strategy, digital programmes and reflections on PVM. Also, the annual work plan for the remainder of 2026 would be agreed once the Corporate Strategy was in place.

GOVERNANCE

17. The Ombudsman's Annual Report and Accounts: Lessons Learned (2024/25) and Timeline (2025/26)

- 17.1 Members noted the report, with no comments.

18. Board Evolution Project

-
- 18.1 The Board received a paper from the Interim Director of Resources and Chief of Staff, which presented the proposed approach to the Board evolution project and the Board member recruitment campaign.
- 18.2 Board member supported the proposed approach.
- 18.2 The Board operating model would be available at the next meeting of the Board in March 2026.
- 18.3 The Board **noted** the Board Evolution Project update.

19. Forward Plan

- 19.1 The Board **noted** the updated Forward Plan

20. Any Other Business

- 20.1 The Ombudsman advised that this would be the last meeting attended by Andrew Dawson, Governance Officer, as he was due to retire on 18 December 2025. The Ombudsman on behalf of the Board took the opportunity to thank Andrew for all his hard work and commitment during his 24-year service and wished him all the best on his retirement.
- 20.2 The Interim Director of Resources and Chief of Staff advised Board members that, following a review of the organisational risks associated with non-executive Board members receiving PHSO information to personal email accounts via personal devices, it had been decided that there was a need to change our approach. The revised approach would require the use of Windows 365 desktop, a full Windows desktop hosted in the Microsoft cloud, which users could access from any device anywhere. The change would be implemented from January 2026.

Meeting ended 13:50