

Minutes of the Board Open Session meeting held on 24 January 2024 via VC

CHAIR

Rob Behrens, Ombudsman

NON-EXECUTIVE MEMBERS

Sir Alex Allan KCB (Senior Non-Executive Member)

John Ainsworth

Polly Curtis

Anne Davies

Dean Fathers

Paul Najsarek

Michael Parsons

Anu Singh

EXECUTIVE MEMBERS

Rebecca Hilsenrath, Chief Executive Officer

Gill Kilpatrick, Chief Operating Officer

IN ATTENDANCE

Karl Banister, Director of Operations, Legal and Clinical

Maria Mansfeld, Chief of Staff

Kate Eisenstein, Interim Director of Strategy

Roz Pedersen, Assistant Director, Finance

Hazel Waddington, Assistant Director, Transformation

Faridah Newman, Executive and Committee Officer (minutes)

OBSERVERS:

Joelle Jack, Transformation Change Manager

APOLOGIES

Amerdeep Somal, Non-Executive Member

1. Chair's Introduction and Welcome

- 1.1 The Chair welcomed members and attendees to the meeting, noting apologies from Amerdeep Somal.

1.2 The Chair congratulated the Interim Director of Strategy on her recruitment as Director of Policy, Research and Legal at the Covid Inquiry, which she will be taking up towards the end of March.

1.3 The Chair welcomed the meeting observer.

2. Declarations of Interest

2.1 No new interests were declared.

3. Current Financial Position

3.1 Members noted a verbal update from the Chief Operating Officer:

- Building on a strong foundational relationship and following productive recent conversations, HM Treasury have confirmed an additional budget of £150k as contribution to third-party costs in the Judicial Review of the Women's State Pension Age case.
- We only have a headline figure from the solicitors bringing the Judicial Review and are pushing for detail as soon as possible to inform end of year spending decisions.
- Projected year-end underspend is currently approximately £186k. Though this is a more comfortable position, a cautious approach will be maintained.
- The Executive Team are exploring bringing some non-consolidated employee payments forward into this year, though this will not be pursued without careful thought and more certainty about end of year figures.

3.2 The Chair congratulated colleagues on the agreement from HM Treasury, noting that this is a sign of trust and confidence in PHSO's financial management.

4. Draft High-Level Business Plan and Budget 2024/25

Business Plan

4.1 The Board received a paper from the Assistant Director of Transformation outlining a draft high-level business plan for 2024/25.

4.2 The Chief Executive Officer explained that initial steer was being sought from Board to inform further work ahead of an informal update meeting on 15 February and the next formal Board meeting of 20 March, at which final drafts of the 2024/25 business plan and budget would be presented for approval.

4.3 The Chief Operating Officer added that a fluid approach will be required throughout the year and how we propose to flex priorities in the light of changes to availability of resources will be regularly reported to the Board. The prioritisation exercise was focussed on those priorities which required additional resources to deliver.

- 4.4 Several members emphasised the importance of NHS Integration work, and received assurance that this would formally begin in Q1 of 2024/25. This is prioritised within the Digital, Data and Technology Strategy and is currently deliverable within existing resource.
- 4.5 The Board discussed the potential for the DWP strand of activity to put the organisation in conflict with the Department for Work and Pensions (DWP), and received assurance from the Chief Executive officer that the DWP are aware of our position on this as supporting them to make better decisions, and that we intend to continue working with them in a positive and productive manner. Work to be re-titled within the Business Plan.
- 4.6 The Board **recommended** the below changes to the draft business plan:
- Further articulation of prioritisation to include explanations of rationale and anticipated impacts.
 - DWP activity to be amended to reference optimisation instead of maximisation.
- 4.7 The Board **recommended** that the below be considered as additions to the business plan risks:
- The 2024 UK General Election and potential for widespread industrial action in advance of this.
 - Leadership transition (the appointment of a new Ombudsman).

Budget

- 4.8 The Board received a paper from the Assistant Director of Finance outlining a draft high-level budget for 2024/25.
- 4.9 The Chief Operating Officer explained that recent changes in the organisational culture around spending gives significant confidence for next year's budget.
- 4.10 The Board discussed risks influencing the contingency to be held within the draft budget, including:
- The possibility of Judicial Review challenge: though we do not plan to rely on HM Treasury funding for this again, it was noted that they were sympathetic to this unexpected cost this year and may be again if necessary.
 - The risk of inflation remaining high or increasing: A pay award of 2.5% is currently factored into the budget and every percentage increase thereafter would represent an additional approximately £300k.
 - Sustained increased demand: the commitment to the Parliamentary and Constitutional Affairs Committee in November 2023 to return to 'operational effectiveness' was made with a clear caveat about this risk, which has continued to rise since then.

- 4.11 The Board discussed the potential risks associated with senior structure savings, and received assurance.
- 4.12 The Board discussed the capital funding priority of Citygate office refurbishment, including:
- The importance of maintaining morale and motivation among staff while the office is closed, with regular opportunities to connect as a whole organisation.
 - Managing the return to the office in Summer 2024, building on learning and successes from similar activity following Covid lockdowns.
- 4.13 The Chair recognised excellent collective leadership on the Citygate office refurbishment.

5. Date and time of next meeting

- 5.1 Members noted that the next meeting will take place on 20 March 2024 at Millbank, London.
- 5.2 Confirmation will follow as soon as possible regarding a Board dinner to mark Rob Behrens' final meeting as Ombudsman.

6. Any Other Business

- 6.1 The Chair highlighted that this was Paul Najsarek's final meeting as a member of the PHSO Board before his term as Interim Local Government and Social Care Ombudsman comes to an end on 31 January 2024.
- 6.2 The Board thanked Paul Najsarek for his contributions during his time as a member and wished him well for the future.
- 6.3 The Assistant Director of Finance confirmed that she is exploring with the Legal Team what they might be able to pursue in terms of rent rebate from Millbank Tower building management due to poor conditions.

7. Review of the meeting

- 7.1 Members and the observer shared their reflections on the meeting.

The meeting ended at 11:54