

Q2 PHSO Board Meeting

27 November 2014

Minutes (Final)

## **FINAL MINUTES OF THE PHSO BOARD MEETING**

27 November 2014

### **CHAIR:**

Dame Julie Mellor DBE, the Ombudsman

### **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 (left after Item 10)

Dr. Jane Martin

Sir Jon Shortridge KCB

Helen Walley

### **IN ATTENDANCE:**

Chris Morgan (Item 12)

Suzannah Beazley, Chief of Staff (minute-taker)

Sue Thomson, Support to Chief of Staff

Krista Thomas, Support to Chief of Staff

### **Item 3 Welcome and Chair's Introduction**

- 3.1 The Chair welcomed Board Members and one observer - Shareena Merzi, Acting Head of Media, Marketing and Internal Communications. There were no conflict of interest items to record.
- 3.2 The Chair acknowledged that Sue Thomson was leaving PHSO and she thanked her for the work she has done in supporting the Board and wished her good luck in her new role outside of PHSO.

### **Item 4 Minutes, matters arising and action points from previous meetings**

- 4.1 Minutes from the July meeting to be corrected to read 29<sup>th</sup> July 2014 and not 23<sup>rd</sup> July 2014. Item 5.7 to be amended to read "IVR" and not "IVT".
- 4.2 Minutes from the 18<sup>th</sup> September 2014 were approved as read.
- 4.3 Minutes from the 23<sup>rd</sup> October 2014 were approved as read.

**ACTION:** Chief of Staff to issue to all board members final draft of minutes for July 2014, September 2014 and October 2014.

### **Item 5 Chair's report**

- 5.1 The Board noted the report.
- 5.2 The main points of discussion were:

The Board agreed to advertise up to three non-executive roles

The Board reflected that the Public Administration Select Committee (PASC) raised important questions about quality, review, accountability for complaints about us in the Annual Report and the staff survey. The Board requested that they are kept informed regarding progress on these issues.

Jane Martin asked that reference to the Board of the LGO be changed to the Commission for Local Administration in England.

**ACTION: Board forward programme to include updates on actions in response to PASC interest.**

#### **Item 6 Managing Director's report**

- 6.1 The Board noted the report including welcoming progress on completing more investigations, the clarity of agenda being addressed by the Executive and introducing a new pay system. They noted areas for Executive attention including the handover of the health patient expectation project to the health sector; redesign of review; continuing to bring down average time to complete cases; focus on cases not closed in twelve months; tackling staff engagement; sustaining public confidence and building leadership and management capability and investigative expertise.
- 6.2 The Board recognized that the Service Charter will be one way of engaging staff. They noted that the case for modernisation and action required to achieve strategic objectives is not getting through from the Executive to staff, and that engagement is becoming a serious issue.

**ACTION: January board meeting to receive a paper on aims and plans for staff engagement and action to date. The board will be asked to input to aims and plans and provide scrutiny on action to date.**

#### **Item 7 Overall Key Performance Indicators on Operations, People, Finance, and Quality**

- 7.1 The Board noted the challenge in assessment and in the duration of the period spent collecting information and waiting for an investigator to start their work.

**ACTION: Future performance reports to provide assurance regarding management of case duration and to provide quarterly rather than monthly information.**

#### **Item 8 Progress against the Business Plan and Strategic Plan**

- 8.1 The Board welcomed the new format which will provide the information it needs to review progress against the whole of the plan when fully populated. The Board noted that some training of investigators was now taking place and that thinking on investigation competencies for the longer term will also be needed. It noted that the timetable for the introduction of the new Casework Management System may be extended to make sure staff are effectively prepared for its introduction. It also noted that the work on human factors had evolved to cover: work with NHS England by the previous COO, training for staff in complex investigations and the recently announced investigation into the quality of NHS investigations into avoidable harm.

**ACTION: Next performance report to be fully populated.**

#### **Item 9 Insight into Casework Content**

- 9.1 The Board very much welcomed the analysis and the opportunity to consider how it might engage with such insight in future. It articulated the purposes of considering this information as:

- 9.1.1 Enabling us to consider operational improvements about allocation of resources and refine standards about how long different case types might take.
- 9.1.2 Identify big and repeated mistakes and surface issues and organisations for more systemic activity on both service improvement and complaint handling.
- 9.2 The board made suggestions for types of information needed to fulfil these purposes:
  - 9.2.1 Numbers by organisation type: to include total numbers of cases and percentages for each type of organisation and to include information on changes over time rather than just a snap shot.
  - 9.2.3 Ratio of cases to service incidents.
  - 9.2.4 Identification of service failures and complaint handling failures.

**ACTION: Future reports to reflect this input.**

**Item 10 Q2 Strategic Risk Register**

- 10.1 The Board considered and agreed the following actions:
  - 10.1.1 Future Board discussions on risk will be structured by aim. Chair and Managing Director to determine which aim receives more in depth discussion at each meeting and invite risk owner to attend for this discussion
  - 10.1.2 The Board Risk Workshop will be moved to March 2015. Consideration to be given to inviting Trevor Llanwarne to advise at the workshop. The covering paper on risk to set out the Executive’s assessment of areas of concern and adequacy of mitigation to reduce the risk. This will help the whole Board focus on the areas of high residual risk or where risk has increased.
  - 10.1.3 The RAG rating for Public Confidence should be changed to red.
- 10.2 The Board discussed the meaning of non-tolerance levels but came to no conclusions. The Chair and Managing Director agreed to discuss this outside of the meeting.
- 10.3 Peter Freedman exited the meeting during the lunch break and was absent for the remainder of the meeting.

**Item 11 Budget and Business Plan for remainder of 2014/15**

11.1 The Board reviewed and approved the analysis of the budget and business plan and approved the following changes in the budget:

	£000
Associate Caseworkers	250
EA&S research and Service Charter and the website	215
Publications	50
Support to Complex Investigations	24
<b>TOTAL</b>	<b>539</b>

- 11.2 This approval was subject to the following actions:
  - 11.2.1 Audit Committee secretary to arrange for Jon Shortridge to meet with Damian Brewitt, Audit Director at NAO.

- 11.2.2 A note of explanation for changes in Executive Office budget to be circulated.
- 11.2.3 Executive Director Finance to confirm the delegated level for write-offs to ensure that the amount relating to Access to Work did not require format approval by the Accounting Officer.
- 11.2.4 Meeting of controls for cash, capital, resources and AME to be reported in quarterly performance reports and built into financial risk assessment.
- 11.2.5 Recognition that the Service Charter budget will have flow through implications for 2015-16.

## Item 12 Quality Assurance Framework Workshop

12.1 The Board considered the Quality Assurance Framework and agreed the following actions:

**ACTION:** Director of Quality, Service and Integrity to provide analysis of levels of financial remedy over time and whether they have remained constant.

**ACTION:** Director of Quality, Service and Integrity to provide comparative analysis of financial remedy typologies by PHSO and LGO to a future meeting.

**ACTION:** Chief of Staff to organise for board members to receive training on quality auditing and to supply members with dates on which they could participate in quality auditing.

**ACTION:** Chief of Staff to look at whether NEDs can gain remote access to PHSO intranet.

**ACTION:** Quality Committee to be established. Chair to discuss membership with all board members, the quality committee will then report annually to the Board.

**ACTION:** Chief of Staff to ask Peter Freedman if he would like a phone call with Chris Morgan to discuss the workshop slides.

## Item 13 PHSO Service Charter Outline Approach

13.1 Sally Sykes introduced the Board to the Service Charter paper.

13.2 The Board reviewed and approved the outline approach paper, subject to the following:

- 13.2.2 PHSO needs to keep "LGO" sighted on their work on the Service Charter.

13.3 The Board accepted the invitation to participate in the Service Charter workshops.

**ACTION:** Chief of Staff to provide the board with dates and invitations to attend Phase 1 and 2 of the service charter research workshops.

**ACTION:** PSHO to ensure that LGO is kept sighted on service charter work.

## Item 15 Audit Committee Terms of Reference (Item 15 was covered before Item 14)

15.1 The Board reviewed and approved the revised Terms of Reference for the Audit Committee, subject to the following amendment:

- 15.1.1 Point 5 should read "Chair's agreement" and not Board Chair's agreement.

**ACTION:** Audit Committee secretary to ensure that the terms of reference of the audit committee are updated.

## Item 14 Minutes of the Audit Committee (24/10/2014)

14.1 The Chair of the Audit Committee reported to the full Board on the committee's consideration of the NAO report on procurement. He highlighted to the Board the Committee's views that:

- 14.2 The key considerations that management action had to respond to considerations were:
- 14.2.1 That the absence of detailed protocols for dealing with prior relationships, actual and perceived conflicts of interest was dealt with by the Chair as soon as she became aware of the problem and prior to the NAO investigation
  - 14.2.2 The wider issues on contract management and value for money were more significant areas for improvement
  - 14.2.3 The Governance Statement was a very full and frank assessment of areas for improvement and that the NAO agreed with the Committee's view on this
  - 14.2.4 The Committee had been assured by the NAO that their investigation report had no impact on the Annual Report and Accounts which were signed off in the normal way
  - 14.2.5 It was important to communicate internally and be transparent externally as soon as the NAO report was available to us to communicate
  - 14.2.6 The update on actions committed to in the Governance Statement was welcomed, it was vital to complete all actions and the Committee would continue to receive updates until all work was completed
  - 14.2.7 It had asked that contract management was built into the planned procurement audit for 2015/16
- 14.3 The Board were assured by the information provided by the Audit Committee Chair and emphasised the importance of, and welcomed being sighted on, actions taken following commitments given in the Governance Statement. It noted the commitment to put the report into the public domain once we have received the final report from the NAO.

**ACTION:** The NAO report should be made publically available we are able to do so.

#### **Item 16 2013/14 Governance Statement Update**

- 16.1 The Board commended the Executive on completion of all actions committed to in the Governance Statement with due dates up until this point. The Board asked for confirmation of the amount referred to in item 30 of update. It agreed that:
- 16.1.1 An additional action would be added to the plan - to conduct a value for money assessment of early investments in the new strategy using the strategy KPIs as the intended benefits against which value would be assessed. This would be conducted at the end of 2015/16 or beginning of 2016/17 when service changes had been implemented and progress against strategy could realistically be assessed.
  - 16.1.2 The Audit Committee would receive full information to assure itself on items 16-30 of the update and would receive a further update on completion of actions with later due dates.

**ACTION:** Executive Director Finance to confirm procurement threshold to the Board.

**ACTION:** The Audit Committee to have sight of the protocols that have been produced from actions 16-30 of the governance statement.

**ACTION:** The Audit Committee to be updated of any outstanding actions from the governance statement at future meetings.

#### **Item 17 Provision of Executive Assurance to PHSO Board**

- 17.1 The Board was invited to consider the Provision of Executive Assurance, however, as the paper was not available, the following was agreed:

**ACTION:** Following circulation of the assurance map, Chief of Staff to arrange phone calls to seek input on the development of our assurance framework.

**ACTION:** The Audit Committee will be asked to consider the paper at their January meeting.

**ACTION:** The Board Forward Plan to include assessment of assurance at its March 2015 meeting For future years this assessment of assurance will be considered at the last meeting of the calendar year.

**Item 18 Board Forward Programme**

18.1 The forward programme was noted.

**Item 19 Any Other Business**

19.1 None were raised.

**Item 20 Date and location of next meeting**

20.1 The next meeting is scheduled to take place on Monday 26<sup>th</sup> and Tuesday 27<sup>th</sup> January 2015, in Manchester.

*Secretary's Note: Dates changed to Thursday, 5<sup>th</sup> and Friday, 6<sup>th</sup> February 2015.*

**Item 22 Minutes of the Confidential Session of the Board Meeting on 18/09/2014**

22.1 The Confidential minutes from the 18<sup>th</sup> September 2014 were agreed as read.

End of meeting 5.30pm

**APPENDIX 1 - ACTIONS TABLE**

Meeting Minute	Action and Owner	Action Taken
Item 4	Chief of Staff to issue to all board members final draft of minutes for July 2014, September 2014 and October 2014.	
Item 5	Secretariat to include in Board Forward Plan updates on actions in response to PASC interest.	
Item 6	Chief of Staff to make sure Board members contracts provide for confidentiality to enable consideration of case details.	
Item 6	Executive to provide January Board meeting with a paper on aims and plans for staff and engagement and action to date. The Board will be asked to input to aims and plans and provide scrutiny on action to date.	
Item 6	Chief of Staff to make sure Board papers have correct protective marking.	
Item 7	Executive to make sure performance reports to provide assurance regarding management of case duration and to provide quarterly rather than monthly information.	
Item 8	Executive to make sure that report on progress against business and strategic plan is fully populated.	
Item 9	Executive to make sure that content of Insight into Casework report contains information as set out under 9.1 of minutes.	
Item 10	Executive to make sure that the Risk Register is structured by aim. Chair and Managing Director to	

	determine which aim receives more in depth discussion at each meeting and invite owner to attend for discussion.	
Item 10	Executive to make sure that the covering paper on risk sets out their assessment of areas of concern and adequacy of mitigation to reduce the risk.	
Item 10	Executive to make sure that the RAG rating on the Risk Register for public confidence is changed to red.	
Item 11	Audit Committee Secretary to arrange for Sir Jon Shortridge to meet with Damian Brewitt, Audit Director of NAO.	
Item 11	Executive Director of Finance to circulate to Board members a note explaining the changes in the Executive Office budget.	
Item 11	Executive Director of Finance to consult the Chair and Accounting Officer regarding the proposed write off of the Access to Work budget	
Item 11	Executive to report in quarterly performance reports and build into financial risk assessment the meeting of controls for total expenditure for cash, capital, resources and Aimee.	
Item 12	Director of Quality, Service and Integrity to provide the Board with an analysis of levels of financial remedy over time and whether they have remained constant.	
Item 12	Director of Quality, Service and Integrity to provide the Board with comparative analysis of financial remedy typologies by PHSO and LGO.	
Item 12	Chief of Staff to organise for Board members to receive training on quality auditing and to supply members with dates on which they could participate in quality auditing.	
Item 12	Chief of Staff to look at whether NEDS can gain remote access to PHSO intranet.	
Item 12	Chair to set up a Quality Committee and to discuss membership with the Board.	
Item 12	Chief of Staff to ask Peter Freedman if he would like a phone call with Director of Quality, Service and Integrity to discuss the workshop slides.	
Item 13	Chief of Staff to provide the Board with dates and invitations to attend phase 1 and 2 of the Service Charter research workshops.	
Item 13	Executive Director of External Affairs and Strategy to make sure that LGO is kept sighted on service charter work.	
Item 14	Executive to make sure that the NAO report is made publicly available when they are able to do so.	
Item 15	Audit Committee Secretary to make sure that the terms of reference of the Audit Committee are updated as explained under 15.2 of the minutes.	



Item 16	Executive Director of Finance to confirm procurement threshold to the Board.	
Item 16	The Audit Committee to have sight of the protocols that have been produced from action 16-30 of the Governance Statement.	
Item 16	The Audit Committee to be updated at future meetings of any outstanding actions from the Governance Statement.	
Item 16	Following circulation of the assurance map, Chief of Staff to arrange phone calls with Board members to seek their input on the development of our assurance framework.	
Item 17	The Audit Committee to consider assessment of assurance at their January meeting.	
Item 17	Chief of Staff to make sure that the Board Forward Plan includes assessment of assurance at its March 2015 meeting.	