



PHSO BOARD 2017/18 BUSINESS PLAN AND BUDGET MEETING

9 MARCH 2017

Minutes

MINUTES OF PHSO BOARD 2017/18 BUSINESS PLAN AND BUDGET MEETING

9 March 2017

CHAIR:

Dame Julie Mellor DBE, the Ombudsman

NON-EXECUTIVE MEMBERS:

Elisabeth Davies
Alan Graham MBE
Mick King
Ruth Sawtell
Dr Julia Tabreham
Helen Walley

EXECUTIVE MEMBERS:

Amanda Campbell, Chief Executive Officer
Gill Kilpatrick, Executive Director of Finance and Corporate Services
Rebecca Marsh, Executive Director of Operations and Investigations
Alex Robertson, Executive Director of External Affairs and Insight

APOLOGIES:

Sir Jon Shortridge KCB
Helen Holmes, Head of Legal

IN ATTENDANCE:

Rob Behrens CBE, Incoming Chair and Ombudsman
James Hand, Interim Head of Business Planning and Performance
Adam Hawksbee, Chief of Staff
Allison Howe, Interim Director of Governance
Patrick Makoni, Board and Committee Clerk (minutes)
Sarah Wilde, Human Resources Director

OBSERVERS:

Tanya Brink
Beverley Stag
Paul Vaughan

1. Chair's Introduction and Welcome

1.1 The members present were welcomed by the Chair who outlined the agenda.

In Year Matters

2. Governance

2.1 The draft Governance Framework had been circulated for input. Feedback would go to the Audit and Risk Assurance Committee (ARAC) for review, input

and scrutiny before being submitted to the Board for a decision. The Framework included:

- Standing orders;
- Terms of Reference;
- Risk Management Framework;
- Assurance Framework; and
- Scheme of Business Delegation.

- 2.2 The Governance Framework was still being refined. A number of detailed comments were made on the draft documents which were noted for action.
- 2.3 There was some additional context needed regarding Corporation Sole and the various roles of the Ombudsman.
- 2.4 There was a need for more consistency in relation to the Terms of Reference of Committees, and these should be reviewed to ensure they were accurate.
- 2.5 The casework delegation scheme would be a separate document due to specific delegations from the Ombudsman and the way it was handled in the organisation; however it would be referenced in the Governance Framework.
- 2.6 The Assurance Table was commended and would be submitted to the Audit and Risk Assurance Committee as a standing item. The role of the Quality Committee in providing assurance would be considered. The table would also form part of ARAC's Annual Report to the PHSO Board.
- 2.7 PHSO's risk appetite would be better defined and clarified, and more thought would be given to how to ensure public trust and confidence and the role risk management played in that.

ACTION: The Interim Director of Governance would incorporate feedback into the revised Framework and submit it to ARAC for its March 2017 meeting.

Proposed Amendments to PHSO's Procurement Code

- 2.8 A paper on the management of procurement and proposed changes to the Procurement Code had been circulated. The proposed revisions had already been discussed and agreed by the Audit and Risk Assurance Committee (ARAC).
- 2.9 Assurance was given that all Single Tender Actions were scrutinised by the Executive Director of Finance and Corporate Services who also received details on compliance with the code on a monthly basis.
- 2.10 It was noted that contract management was an agenda item on meetings for Audit Risk and Assurance Committee where detailed assurance was undertaken in this area.

2.11 The changes to the Procurement Code recommended in the paper were approved.

Complaint Analysis Data

2.12 A report on Complaint Analysis Data had been received by PHSO Board for information. The report provided an insight into changes in the nature and types of complaints received. In future, the Board would need to decide the purpose of consideration of insight data which would then influence the nature of information presented.

2.13 The limitation of the analysis was recognised in relation to communities that were not complaining and therefore not being heard. It was also the case that there was an inherent time lag in the data presented. The data collected would be further developed to enrich insight for wider discussion.

2.14 The report and insight into the casework process was **noted**.

ACTION: The Executive Director External Affairs and Insight to take forward work to automate the collection of data about insights from casework and update the Board on progress as appropriate.

Strategy and Planning

3. Draft 2017/18 Business Plan and Budget- Overview Report

3.1 The Board had given in principle approval to the draft 2017/18 Business Plan and Budget at its January 2017 meeting. The full plan, including the objectives, success measures and deliverables had been submitted to PHSO Board members for comment.

3.2 An expanded document had been circulated which reflected what had been agreed by the Board. Minor amendments had been made to the 2017/18 Budget since the January submission. The overarching aims in the draft Business Plan from January had been captured and were being presented to the Board.

3.3 The Draft 2017/18 Business Plan and Budget had six annexes:

Annex A - The draft Business Plan 2017/18 was commended. It was noted that convergence meetings between PHSO and the Local Government Ombudsman (LGO) would be arranged.

➤ Aim 1 - Work to raise awareness at the point of need was noted alongside the opportunities for joint working with the LGO on a Digital Strategy. An annual open meeting would be hosted in both London and Manchester.

- Aim 2 - The success criteria were noted as being concentrated around the quality issues that had been raised in the Service Charter feedback.
- Aims 3 and 4 -The new Director of Public Affairs and Insight would lead on liaison with Parliament. It was further noted that a RASCI framework was being completed for Insight reports and similar complex pieces of work.
- Aim 5 -It was noted that the Target Operating Model (TOM) was different to LGO's and would have implications for convergence. The 3% increase in staff engagement score matched the civil service benchmark.

Annex B - The Key Performance Indicators 2017/18 document was welcomed and the Interim Head of Business Planning and Performance commended for its production.

- Further work would be conducted on baseline figures for performance reporting on anti-bullying and harassment measures, and there would be a focus on reporting the workplace statistics of women and staff from a BME background.
- The importance of using flightpath data was noted.

Annex C - Risk 2017/18 was endorsed particularly the tolerances against strategic aims. The appropriate definition of risk appetite would feed into business planning.

- There would be additional focus on risks that had impact on external reputation and financial performance.
- The risk report would be submitted to every PHSO Board meeting with a covering paper to draw out the most significant strategic risks going out of tolerance levels and those associated with driving KPI measures.

Annex D - Equality, Diversity and Inclusion Action Plan 2017/18 -The Board agreed its overall approach should be about inclusion of vulnerable people not just about inclusion of groups with protected characteristics

- The programme of activity with Advocacy Groups representing people with protected characteristics was commended;
- The plan was welcomed. It now needed baseline data targets and success measures

Annex E - Board Decision Making Timeline 2017/18 was noted.

Annex F - Budget 2017/18 - 2019/20 was approved.

- The *Summary of Proposals* table would come to PHSO Board as a tool for measuring success.

ACTION: Requests for amendments to the annexes to be taken forward by the Executive Director of Finance and Corporate Services.

Stewardship and Governance

4. Project Plan for Annual Report and Accounts including overview of the narrative and Governance Statement

- 4.1 The project plan and timetable for laying the 2016/17 Annual Report and Accounts had been circulated together with an outline of the narrative and the Governance Statement.
- 4.2 The timetable had been discussed at ARAC and accepted by the National Audit Office (NAO) which had also expressed a positive opinion on the PHSO's 2016/17 interim accounts. The team needed to deliver on the ambitious milestones if the organisation was to deliver the 2016/17 Annual Report and Accounts pre-recess.
- 4.3 An ARAC meeting would be held on 7 July 2017 to recommend signing off the 2016/17 Annual Report and Accounts. This would be followed by a PHSO Board meeting on the same day.
- 4.4 It was noted that the Project had its own Risk Register.
- 4.5 A draft Governance Statement would be submitted by the end of March to ARAC based on early input from the PHSO Board.
- 4.6 Consideration would be given as to how best to incorporate the human element into the Annual Report and Accounts to show stakeholders what the PHSO does. There should be a focus on using the document to develop public confidence in PHSO.
- 4.7 The Project Plan was agreed.

ACTION: The Executive Director External Affairs and Insight to take into account the above requests and update the Governance Statement.

Information

5. Communication to Staff

- 5.1 The key themes of the PHSO Board meeting would be communicated to staff by the Executive.

6. External Reporting Against the Service Charter

- 6.1 The first report on External Reporting against the Service Charter was received by the PHSO Board.
- 6.2 It was emphasised that as this was a first report, there were no baseline figures on which to give insight and draw conclusions.

- 6.3 Following discussion, it was accepted that the reputation of the PHSO would be enhanced by publishing data that was open, clear and gave a stronger commitment to customers. The report should present PHSO as a self-reflecting organisation.
- 6.4 The report's format and purpose would be developed further and shared with staff before publication.
- 6.5 A strong narrative was needed to explain the Charter covers the things the public say will give them confidence in our decisions.
- 6.6 Academic research shows that Ombudsman Institutions are the one sector where following a procedural justice framework is not sufficient to give confidence in our decisions.
- 6.7 It will take time for us to meet those commitments.

ACTION: The Executive Director External Affairs and Insight to further develop the report.

7. Review of the Meeting

- 7.1 Due to time constraints, the review did not take place.

8. Valediction

- 8.1 Julie Mellor DBE was attending her last Board meeting as Chair and Ombudsman after five years' service.
- 8.2 Her grateful thanks were expressed to both Non-Executive and Executive members of the PHSO Board. As Chair and Ombudsman she had valued the range and quality of the expertise of board members working together towards a shared vision.
- 8.3 The Chair and Ombudsman recorded the following:
 - That she had established a unitary Board in 2012 to call upon a range of independent expertise from external independent non-executives and a team of qualified experienced executive officers supported by relevant committees;
 - That the Board had assumed its role in developing PHSO strategy, providing oversight of resource management and supporting the Executive Team in managing the business;
 - That the Board had undertaken effectiveness reviews to satisfy her as to the adequacy of and suitability of the PHSO'S controls. Development of a new approach to Quality had resulted in a Service Charter that had been launched in 2016/17;

- That the Board's efforts to establish a single Ombudsman Service had successfully resulted in legislation that would go before Parliament;
- That she had improved the relationship with Parliament, providing it with significant support to learn from mistakes, particularly in relation to Sepsis and midwifery;
- That the organisation was assessing more complaints than ever before; and
- That the reshaping of the organisation would result in an effective, efficient organisation that would be more visible to complainants.

8.4 The Chair and Ombudsman was proud of these achievements and wished her successor and the organisation every success for the future.

8.5 In response, the Board recorded its grateful thanks and warmest best wishes to the Chair and Ombudsman noting that under her guidance:

- PHSO governance arrangements had developed;
- The Service Charter had been successfully launched;
- The reshaping of PHSO was progressing well;
- The organisation was managing an increase in the number of complaints with reduced resources;
- There was an excellent relationship with PACAC; and
- The impact of the PHSO's work in producing a number of reports that identified systemic issues for action had received a positive response from Government departments.

9. Date and Location of next meeting

9.1 The next meeting taking place on 22 and 23 May 2017 would be held in London.

The meeting was closed.