



PHSO BOARD OPEN SESSION MEETING

14 December 2017

Minutes (Approved)

MINUTES OF PHSO BOARD OPEN SESSION MEETING

14 December 2017

CHAIR:

Rob Behrens CBE, Ombudsman

NON-EXECUTIVE MEMBERS:

Elisabeth Davies
Alan Graham MBE
Michael King
Ruth Sawtell
Sir Jon Shortridge
Dr Julia Tabreham

EXECUTIVE MEMBERS:

Amanda Campbell, Chief Executive
Gill Kilpatrick, Executive Director of Finance and Corporate Services
Rebecca Marsh, Executive Director of Operations and Investigations

APOLOGIES:

Alex Robertson, Executive Director of External Affairs and Insight

IN ATTENDANCE:

Karl Banister, Legal and Governance Director
Andy Dawson, Governance Officer (minutes)
Martyn Schofield, Head of Governance
Lyn Wibberley, Chief of Staff

Sir Alex Allan, Observer with full right of participation
Dean Fathers, Observer with full right of participation

Andrew Medlock, Assistant Director, Customer Experience, Item 12
Maria Mansfeld, Interim Director of Communications, Item 17
James Hand, Head of Business Planning and Performance
Warren Seddon, Director of Insight and Public Affairs
Deborah Rozansky (Red Quadrant), Item 16
Maria Leader, Observer
Jane Touil, Observer,
Angela Morris, Observer,
Alistair Galbraith, Observer
Zara Johnson, Observer

6. Chair's Introduction and Welcome

- 6.1 The Chair welcomed members and observers present to the first Board meeting at Citygate and outlined the agenda. In particular the Chair welcomed Sir Alex Allan and Dean Fathers, who had been appointed as non-executive Board members with their term of office due to commence on 2 January 2018 and were attending as observers with full right of participation. Apologies for absence were noted from Alex Robertson, Executive Director of External Affairs and Insight.

7. Declarations of Interest

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

8. Minutes and Matters Arising

Meeting held on 28 September 2017

- 8.1 The Board approved the minutes from meeting held on 28 September 2017.

Updates on matters arising

- 8.2 28 September 2017 8.3: The Chair of the Audit and Risk Assurance Committee (ARAC) apologised that the draft minutes of the most ARAC meeting on 29 November 2017 had not been ready in time for the meeting.

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 confirmed that Abigail Howarth would join PHSO as Director of Operations and Quality on 12 February 2108. In addition to the career summary contained in the report, she has policy experience at both local and national level.
- 9.3 As part of the Senior Structure review we have contracted with Deloitte to speak to all senior staff to gain an understanding of their roles and responsibilities. Deloitte will report to the Executive Team with recommendations before Christmas.
- 9.4 Amanda Campbell gave an update on the Caseworker Development Programme (CDP). The first stage of the CDP, role-ready training, commenced in November. Staff feedback has been positive and has been used to refine the content. In the new year there will be training for non-casework staff, and wider development training.
- 9.5 The staff engagement sessions finished on 13 December. Most staff had attended a session. There had been wide-ranging discussions on PHSO

values and behaviours. Staff had generally engaged well and feedback from the sessions was positive.

- 9.6 Amanda Campbell said that she, together with the Ombudsman and the Executive Director for External Affairs and Strategy, had spent two days at the Local Government and Social Care Ombudsman's leadership conference. This had been a very engaging event and in particular had produced ideas for different approaches on working together, including on training and accreditation. Mick King said that PHSO's involvement reflected the good relationship between PHSO and LGSCO.
- 9.7 Jon Shortridge and Julia Tabreham expressed concern about the impact of the senior structure review on senior staff and in the light of Rebecca Marsh's departure. Amanda Campbell confirmed that the departure had been planned for, although it had come about earlier than had been expected. The current structure was top heavy and involved some overlap of roles. She was satisfied that appropriate mitigation was in place.
- 9.8 Elisabeth Davies asked why the work to examine senior staff roles and responsibilities had been placed externally. Amanda Campbell explained that she wanted a wholly objective view of what we were asking senior staff to do and whether it was reasonable. The design was for a short, focussed piece of work and was cost-limited.
- 9.7 Julia Tabreham asked whether the recent review of the Framework Document on Financial Remedy had resulted in any changes to our view on remedy. Amanda Campbell replied that most comments were about the relatively low levels of financial remedy we recommend - more than 75% of our recommendations are for £500 or less. The Framework Document had been discussed with NHS Resolutions who had been very constructive.
- 9.8 The Board **noted** the report.
- 10. Ombudsman's report to the Board.**
- 10.1 The Ombudsman's report had been circulated to the Board.
- 10.2 Rob Behrens said that the list of his external meetings did not include the Public Administration and Constitutional Affairs Select Committee (PACAC) hearing on 12 December. That had been constructive. However it was clear that we needed to clarify our practice in the very small number of cases where we found that we had got the facts wrong.
- 10.3 The recent Open Meeting had been extremely positive. A highlight had been a talk from Scott Morrish on the trauma of being a complainant. Scott Morrish had offered to contribute on this topic to our training programme.
- 10.4 The Public Sector Ombudsman's Group meeting in July had been very useful; a highlight was PHSO being welcomed back into the Ombudsman community.

- 10.5 Rob Behrens reported that his meeting with the Cabinet Office minister had been useful in maintaining momentum on the Public Service Ombudsman reform discussions.
- 10.6 Jon Shortridge asked whether there had been any pressure from PACAC on independent review of our past cases. Rob Behrens said that he had identified no strong support within PACAC for independent review. His view remained that such steps would downgrade the role of the Ombudsman.
- 10.7 Elisabeth Davies commented that this PACAC hearing had been far wider-ranging than in 2016 and that the Committee were clearly better briefed.
- 10.8 The Board **noted** the report.
- 11. Operational Performance Report - Period 7 (October) 2017/18.**
- 11.1 A report from Rebecca Marsh, Executive Director of Operations, had been circulated to the Board.
- 11.2 Rebecca Marsh said that, under the Target Operating Model, we were now counting whole cases, rather than separate assessments and investigations. This changes the way in which casework data is presented.
- 11.3 A key message from the report was that, whilst numbers of unallocated assessments and investigations had increased significantly between P3 and P7, the figures were well within the expected range, confirming that the modelling had been accurate and that the agreed mitigations were effective.
- 11.4 Referring to Table 3 of the Operational Performance Dashboard, Ruth Sawtell asked what assurance was available that the Caseworker Curve to Competence was in the right place, and that the trajectory of unallocated cases shown in that curve could be delivered. Rebecca Marsh replied that the process of extracting staff for training, and the allocation of casework, was being managed very carefully. From our previous experience with the implementation of the Project Team, we knew at what stage staff were likely to become effective.
- 11.5 Elisabeth Davies reassured the Board that the Quality Committee were looking closely at the issues raised by the report and were working with Operations managers to ensure that the Committee were able to look forward as well as back.
- 11.6 Elisabeth Davies noted that the number of investigations outstanding for more than 12 months remained significantly above target, and asked how these cases were being prioritised. Rebecca Marsh replied that these cases tended to be high risk, very complex cases; many were 'legacy' cases. They were now reviewed monthly and we were satisfied that appropriate resources were allocated to each case.

- 11.7 Julia Tabreham asked for assurance about the management of risk of reputational damage. Rebecca Marsh replied that, in addition to Customer Service Charter feedback, we looked for other feedback, for example through Judicial Review claims and pre-action correspondence. These were aligned with our processes.
- 11.8 Jon Shortridge asked about how casework quality was managed internally. Rebecca Marsh explained that investigation reports were quality assured by investigation managers or above, and new staff are closely supervised. The Quality Committee were looking at how the quality of casework content was managed.
- 11.9 Dean Fathers asked what we were doing to embed capability in the future, and what the impact would be when unallocated cases were reduced to zero. Rebecca Marsh replied that most staff had already had role-ready training. Once this was complete the aim was to make the training material available as e-learning so that staff could refresh. This work was being taken by a panel chaired by the Director of Legal and Governance.
- 11.10 Amanda Campbell added that we were moving towards accreditation of senior caseworkers based on the Casework Development Programme. Accreditation, renewable annually, would give caseworkers delegated authority. Rob Behrens concluded by saying that feedback from other Ombudsmen was that PHSO are now taking the lead in the development of formal caseworker accreditation.

12. The Work of Customer Care

- 12.1 A presentation by Andrew Medlock on the work of the Customer Care Team (CCT) had been distributed.
- 12.2 Rebecca Marsh introduced the presentation. The CCT process had emerged over time but had been based on a private sector model which had been misconstrued as giving a right of appeal or external review. The process was now changing. Numbers of cases were being managed down and our approach was far more robust.
- 12.3 Andrew Medlock made the presentation to the Board and led the subsequent discussion. The CCT's work provided essential feedback and was aligned to the Service Charter, together with our internal quality data and feedback from our liaison work and advocacy groups.
- 12.4 Rob Behrens commended the work of the CCT, which had played an important role in defending PHSO's reputation. However, he believed that Customer Care is an inappropriate name.
- 12.5 Julia Tabreham asked why we expected CCT demand to decline. Andrew Medlock explained that both the Target Operating Model and the CDP had

been developed taking into account customer feedback; customers had told us what they wanted us to do better, and we had built this into our process.

- 12.6 Julia Tabreham said that she had spent some time with the CCT and had seen that they have exemplary personal skills. Dean Fathers said that he was surprised at the small number of compliments that had been recorded. Andrew Medlock explained that our system was not currently set up to capture compliments in the same way as negative feedback, so we relied on manual recording and reporting by caseworkers and managers. Rob Behrens added that the figures did not include a large number of compliments about the Intake team.
- 12.7 Jon Shortridge asked how we ensured an impartial service to bodies in jurisdiction. Andrew Medlock said that it was open to bodies to use the CCT system in the same way as complainants; however we needed to do more to make bodies aware of this. Amanda Campbell stressed that the CCT operated at arm's length from the Operations directorate and reported to the Director of Quality; in future they will come under the new Customer Experience function. Their role was to act as a critical friend to PHSO. Eventually we hoped to publish all reports, not just those where the complaint was upheld. This would hopefully provide some assurance about impartiality.
- 12.8 Jon Shortridge asked about the legal status of CCT reviews, and what was the basis of a review decision if it did not constitute a new decision. Karl Bannister explained that our legislation did not allow for reviews. There was a risk involved if we did not follow the legislation. However if we decided that a decision was wrong we needed to be pragmatic. Ultimately this was a question of our risk appetite.

13. Corporate Health Performance Report P7 2017/18

- 13.1 A report from James Hand, Head of Business Planning and Performance, had been distributed.
- 13.2 Gill Kilpatrick presented the report to the Board and led the discussion. Headlines from the report included:
- Training days. Whilst these were still significantly below target, they do not include the Caseworker Development Programme. Each caseworker will receive an average of 8.5 training days this year.
 - Sickness absence had worsened significantly, from 8.4 days to 11.2 days annual average. This was caused mainly by long term sickness. However action by HR had led to 14 out of 16 staff on long term sick leave returning to work since Q1.
- 13.3 Julia Tabreham asked for further assurance on the management of long term sick absence, and whether the long term absences were for physical or mental health problems. Gill Kilpatrick explained that HR were now actively

engaging with all staff on long term sick absence on a regular basis. She did not hold figures on the proportion of physical and mental health cases, but would provide these.

ACTION: The Executive Director of Finance and Corporate Services to provide a breakdown of the number of long term sick absence cases arising from physical health and mental health problems.

- 13.4 Dean Fathers asked for clarification of the 90% benchmark figure in table 1b (page 10 - Bullying, harassment and discrimination are not tolerated at PHSO) and how this compared with other Ombudsmen. Gill Kilpatrick explained that this is the target for the proportion of staff saying that bullying is not tolerated. We do not hold comparative data for other Ombudsmen but use the Civil Service benchmark.
- 13.5 Annex A of the report set out progress against deliverables in the 2017/18 business plan. Gill Kilpatrick reported that these were broadly on track, but that some indicators had been rephrased. In some cases this was to ensure that actions were delivered in the right order, or to align with the emerging PHSO strategy. Additionally some actions had been reprioritised due to capacity issues.
- 13.6 Julia Tabreham asked why the ICT strategy had been rephrased and about the risks and mitigation involved. Gill Kilpatrick explained that the ICT strategy could not be taken forward until issues with Microsoft Dynamics were resolved. There were three aspects to this:
- Stabilisation of the system;
 - Improving key aspects identified by staff as causing the most problems;
 - Making changes to support the Target Operating Model.
- The main risk related to staff perception of the usefulness of the system.
- 13.7 Ruth Sawtell asked how we proposed to measure Value for Money (VFM) in the context of the emerging PHSO strategy. Gill Kilpatrick explained that, as recently discussed at the Audit and Risk Assurance Committee, it was intended to develop the Strategy first, then identify the VFM metrics. Amanda Campbell added that it was difficult to directly link VFM with our core activity, which is the investigation of complaints, and that much further discussion was needed.
- 13.8 Annex B set out progress against the Equality, Diversity and Inclusion Action Plan 2017/18. Gill Kilpatrick said that she recognised that in some areas we had not moved as quickly as we would have wished. On Aim 2.4 (All staff are equally equipped to succeed) we were working closely with AbilityNet on new ICT requirements for disabled staff. However there was much to do, including inbuilt problems with MSD. Elisabeth Davies added that, whilst it was right to look at the protected characteristics of staff, we also needed to consider the needs of complainants. Many of our customers could be considered to be vulnerable in the context of healthcare provision.

13.9 The Board **noted** the Corporate Performance Report.

14. Financial Monitoring - 31st October 2017 (P7)

14.1 A report from Gill Kilpatrick had been distributed. Annex 1 (position against individual Budgets) and Annex 2 (Supplementary Estimates) to the report were distributed at the meeting and are attached to these minutes at Annex A.

14.2 Headlines from the report included:

- The projected resource budget underspend for the end of the financial year stood at £451k;
- Capital spending currently stood at £359k, against a capital budget of £1.9m. The capital programme had therefore been redrafted and the forecast annual capital spend now stood at £1.84m.

14.3 Gill Kilpatrick explained that the capital position was being managed carefully; whilst there was a risk of not spending, there was also a risk of overcommitting to projects that could not be delivered this year. Alan Graham asked whether it was possible to commit expenditure this year but accrue it next year. Gill Kilpatrick confirmed that expenditure needed to accrue this year.

14.4 Alex Alan noted that the report showed slippage in expenditure on caseworker recruitment, which appeared to be inconsistent with the Operations Performance report. Amanda Campbell explained that, following the decision to downsize the London office, it had not been possible to commence caseworker recruitment until the consultation exercise had finished. This had been taken into account in our modelling.

14.5 The Board **noted** the Financial Monitoring report.

15. Strategic Risk Report and Register P7 2017/18

15.1 A report from James Hand, Head of Business Planning and Performance, had been distributed. Gill Kilpatrick presented the report to the Board.

15.2 Gill Kilpatrick said that there was little change since the Q1 report to the Board in September and that risks were expected to remain stable.

15.3 Jon Shortridge and Ruth Sawtell noted that Risk 8 - IT Strategy and Capability, had been mitigated but remained red. They asked that this issue be explored further at the next Board meeting. Gill Kilpatrick explained that in the current year the mitigation was intended to stabilise the position, but that the risk would not reduce until 2018/19, when the issues with MSD will have been resolved.

15.4 The Board **noted** the report.

ACTION: Head of Governance to update the Board Forward Plan to include ICT security for the March 2018 Board meeting

16. PHSO Strategic Plan 2018-21

- 16.1 The Strategic Plan Consultation Summary had been distributed, together with the draft Strategic Plan for 2018-21 and a separate paper on PHSO's Risk.
- 16.2 Deborah Rozansky of Red Quadrant gave a presentation to the Board setting out the rationale for the Strategy. Copies of the presentation (Annex B) were circulated.
- 16.3 Following the presentation, Deborah Rozansky led the Board discussion. She said that there had been 157 responses to the consultation, which had been overwhelmingly supportive of the strategy and its objectives. In her view it was forward looking and addressed the challenges facing the organisation, as well as being bold in its support of the role of the Ombudsman in public life.
- 16.4 Julia Tabreham said that she fully supported all three objectives, but was concerned that the structure and wording of objective 3 was different to that used in objectives 1 and 2.
- 16.5 Alan Graham said that it was difficult to argue against the objectives, which were a pragmatic articulation of what we were aiming to achieve. However he was concerned that reference to achieving Value for Money (VFM), which ARAC had agreed should be included in the strategy. It had received a single line, in the supporting text for Objective 1, but there was no focus on how we would achieve or measure VFM. In his view VFM merited a separate paragraph. Gill Kilpatrick said that VFM needed to be made more explicit in the performance management section of the strategy. She suggested that these matters could be discussed offline. Alan Graham agreed, but said that ARAC had deferred VFM to the Board.
- 16.6 Elisabeth Davies said that the Outcomes section of the strategy was not fully developed; it was not clear what the outcomes would be which would enable the success of the strategy to be measured. Amanda Campbell agreed, saying that more work needed to be done to link activities to outcomes, which in turn would enable us to measure value.
- 16.7 Ruth Sawtell said that whilst the Strategy referred to insight reporting it needed to be more specific about what this would involve.
- 16.8 Jon Shortridge said that the objectives included a number of initiatives that the Board had not considered yet, including early resolution and mediation. These conflicted with the view of previous Boards, who had said that the role of the Ombudsman was to adjudicate. Rob Behrens said that his view

of his role went beyond adjudication. Other Ombudsmen agreed and PHSO was significantly behind in using other forms of complaint resolution.

- 16.9 Julia Tabreham asked whether the Ombudsman had powers to mediate. Rob Behrens said that in his view we did. It was for the Ombudsman to decide how to investigate. Karl Banister confirmed that the power to talk to people to consider whether to investigate a complaint included the power to resolve without an investigation, which included mediation. He said that as a statutory organisation PHSO could not operate outside of its powers.
- 16.10 Jon Shortridge said that he welcomed the proposals to publish more casework, and to support front line complaint handlers. He would like to see more detail about these proposals. He also welcomed the intention to help more people complain, but suggested that publishing more casework may not achieve this on its own.
- 16.11 Jon Shortridge said that his main concern about the objectives and strategy was that it was focussed very much on health investigations, and gave the impression that Government departments were second-order concerns. Deborah Rozansky said that the vast majority of responses to the consultation were from health organisations, complainants and advocacy groups. Rob Behrens said that whilst the majority of PHSO casework concerned health complaints, there were a number of large Government Departments where complaint handling was sub-optimal. He agreed with Jon Shortridge that those organisations needed to know that the objectives also applied to them.
- 16.12 Several Board members expressed concern that any publication of casework must be done in a way that was non-attributable, and that there may be cases where, even when anonymised, it may be possible to identify the complainant. Mick King said that it had taken the Local Government and Social Care Ombudsman over two years to get to a position where they could publish all final decisions. They had first had to look at how they made decisions. That had resulted in the biggest single improvement in quality in his time with them. Their process included safeguards on anonymity.
- 16.13 Alex Allan expressed concern that Objective 3 could raise tension with complainants if we were seen to be working in partnership with NHS and other public bodies.
- 16.14 Julia Tabreham said that we should be careful not to raise expectations and then fail to deliver; the Board needed assurance that the organisation had the necessary resources to deliver the strategy, and that we were operating within our statutory powers. She said she would like assurance from the Chief Executive that the Executive Team had considered these matters and were confident that they could deliver in timescale.

- 16.15 Mick King said that he fully supported the strategy. He recognised that it was ambitious, but said it contained the building blocks of an exemplary Ombudsman scheme, which contained some ground-breaking goals, in particular the Accreditation scheme. He recognised that there was a risk involved in being bold and having a vision, but there was also a risk in being timid and over-cautious.
- 16.16 Gill Kilpatrick said that we needed to consider whether and how the Strategy could be deliverable and affordable. For example, the scale of Objective 3 was potentially large. Whatever was proposed needed to fit with the organisation's financial strategy.
- 16.17 Amanda Campbell said that it was unusual to be developing a strategy in the middle of a major spending review. She was talking with the Executive Team about how resources could be freed in year 1 and year 2, for a big push in the final year of the strategy.
- 16.18 Elisabeth Davies said that the Strategy referred to involving service users and complainants. This needed to be outcomes-led rather than focussing on processes and structures. She welcomed this proposal and suggested that we might develop a user engagement plan, although this should focus on desired outcomes.
- 16.19 The Board were asked to consider PHSO's Risk Appetite.
- 16.20 Alan Graham said that he felt that it was unlikely we would wish to take significant reputational or financial risks. Ruth Sawtell said that she agreed.
- 16.21 Elisabeth Davies said that the starting point should be to reflect on each objective; the risk appetite might not be the same for each. She tended to be risk-averse for Objective 1, less so on Objective 2 and most open to risk on Objective 3, where the risk was mainly in being confident about attributing improvements to PHSO's work.
- 16.22 Gill Kilpatrick said that there were different types of financial risk; there were some areas where we had no alternative but to take risks. It was important that we understood and balanced risks with the likely outcome. On reputational risk, her view was that whilst there was a risk in putting forward an outward-facing strategy, there was a bigger risk in not doing so.
- 16.23 Rebecca Marsh said that we had accepted a significant degree of risk on Quality of Service this year. It was important to articulate properly in terms of the level of risk against the likely gain.
- 16.24 Dean Fathers commented that risk was proportionate to ambition. He asked whether any risks could be shared with others, for example the publication of the Sepsis report. Finally he commented that setting measures might cause non-rational behaviour and asked whether we could

carry that risk. Deborah Rozansky said that some of that risk had been taken on board.

- 16.25 Alex Allan said that he tended to support the view put forward by Elisabeth Davies on Objective 2. He said that his appetite on transparency and publishing more cases was very high. Jon Shortridge agreed.
- 16.26 Jon Shortridge said that it was inevitable that there would be risks around transformation and that this needed to be managed carefully.
- 16.27 Amanda Campbell commented that we had soaked up challenging behaviour from a small number of complainants. This was an area where she felt we could take more risk; doing so would place us in a better position. Gill Kilpatrick agreed.
- 16.28 Rebecca Marsh said that in the past we had been very risk averse and had tended to avoid rather than manage risk, for example on new ways of working. Her view was that we should carry such risks in order to try new initiatives. Ruth Sawtell agreed, and suggested that taking short term risks could help manage long term risks.
- 16.29 Deborah Rozansky said that, in summing up, her understanding of the Board's risk appetite was that we should move away from a wholly risk-averse position to one where individual risks were accepted and managed.
- 16.30 Board members were asked for final comments on the Strategy, including whether they had any preference for either of the two 'Our values' options in the Introduction to the Strategy (page 12).
- 16.31 Mick King said that the Strategy was an excellent piece of work. Dean Fathers agreed.
- 16.33 Julia Tabreham said that the Strategy felt authentic and ambitious. How we managed and mitigated risks should be 'business as usual'.
- 16.34 Alan Graham said that he supported the principles and objectives. He asked whether we were trying to over-engineer risk appetite. He stressed that Value for Money was very important and should be given greater prominence. He recognised that, whilst 90% of casework concerned the NHS, we could not ignore the other 10%.
- 16.35 Alex Allan said that he supported the strategy and looked forward to seeing the draft Risk Appetite statement.
- 16.36 Ruth Sawtell said that she supported the Strategy and appreciated the ambition. She looked forward to hearing more from the Executive Team about plans for delivery. Her preference for 'Our values' was Option 1.
- 16.37 Elisabeth Davies said that the Strategy needed to be more outcomes-based, particularly on user involvement. She said she would like to see more

clarity about measurement, and about the Board and the Quality Committee's role in defining the metrics. She preferred Option 2 of 'Our values'.

- 16.38 Jon Shortridge said that in February he expected to see the final draft Strategy to sign off, which should include reflections from today. He wanted to hear more from the Chief Executive and the Executive Team on why we should support the strategy, including that there were sufficient resources to deliver it. On 'Our values' he expressed no preference but said that he did not like the terms Excellence or Empathetic.
- 16.39 Rob Behrens commented that PHSO do not control their own reputation, and that this needed to be factored in to the ideas on risk; and that we needed more openness and transparency to get users back onside with us. He thanked Deborah Rozansky for leading the discussion, and the Board for their input.

ACTION: Executive Director of External Affairs and Insight to amend the draft Strategy taking into account the Board's comments.

17 2017 Staff Survey

- 17.1 Maria Mansfeld, Interim Director of Communications, gave a presentation on the results of the 2017 Staff Survey. Copies of the presentation were circulated (Annex 2).
- 17.2 Maria Mansfeld said that the survey had taken place in November and that there had been 325 responses, equating to 78% of staff. The survey had been redesigned to align with the Civil Service People Survey (CSPS), which we would use from 2018. Headlines from the survey included that the overall staff engagement score (60 per cent) was just short of the CSPS benchmark. Elsewhere there had been several significant improvements, but from a low baseline.
- 17.3 Amanda Campbell said there had been good qualitative feedback on change management; there had been many comments saying that change management had been poor in the past but was now improving.
- 17.4 Alan Graham asked whether respondents were asked whether they felt confident that reports of bullying and harassment would be taken seriously. Maria Miller said that this had not been asked explicitly.
- 17.5 Jon Shortridge said that the survey contained many good results, but that bullying and harassment remained a concern and was likely to attract media attention; we needed a strategy to handle this.
- 17.6 Jon Shortridge said that it was difficult to compare with last year's results as the questions were different, and there had been significant staff turnover. Amanda Campbell said that the full data could be segmented by staff groups, but agreed with Jon Shortridge that a fuller analysis was

needed. Jon Shortridge said that staff should be involved in deciding what to do next in response to the results. Maria Mansfeld confirmed that this was being done.

17.7 Dean Fathers expressed concern about the scores on perceptions of disability discrimination. Amanda Campbell said that the scores were not a surprise; there had been issues with the ICT support for disabled staff which the office had been too slow in resolving.

17.8 The Board **noted** the presentation.

18 Report: Audit and Risk Assurance Committee (ARAC)

18.1 Minutes of the ARAC meeting of 18 October 2017 had been distributed. Alan Graham said that he wished to update the Board on the most recent ARAC meeting (29 November), the minutes of which were still being drafted.

18.2 The Committee had received Assurance Presentations on Cyber Security from the Head of ITC and Accommodation. This was structured to respond to the NAO Good Practice Guidance and actions to improve self-evaluation of effectiveness

18.3 The Committee had also received an Assurance Presentation on Information Security (from the new Head of Information Assurance). This covered PHSO's state of readiness for the introduction of GDPR in May 2018. Alan Graham said that the Information Commissioner's Office would be conducting an independent assessment of PHSO's readiness in March. In addition, the External Auditors were likely also to review this during their year-end visit.

18.4 The Committee had received a report on the People and OD project - which had been submitted to provide assurance that all related outstanding Internal Audit recommendations had been (or were being) addressed.

18.5 The Committee received the regular Financial Management Report. Following the departure of the former Finance Director the focused on the adequacy and competence of the team to manage the necessary activities and mitigate the risks at this important point in the annual financial cycle.

18.6 The Committee had reviewed the High Level Timetable and Plan for the production of the PHSO Annual Report and Accounts, and the arrangements for overseeing this process.

18.7 The National Audit Office presented their External Audit Planning Report for the year-end which risk-based approach. The draft had been modified to reflect PHSO management concerns that the original did not fully reflect improvements made in the two years since NAO had qualified the accounts.

- 18.8 The regular report on the progress of the implementation of prior Internal Audit recommendations had also been received and noted.
- 18.9 The Committee had also received and noted the Internal Auditor's general progress update. This showed that there would be a substantial number of internal audit reports to be reviewed by the Committee before the end of the financial year. The Committee had considered and agreed a process for dealing with some of these on a preliminary basis by correspondence.
- 18.10 The Head of Governance had submitted a new consolidated form of report on various governance, risk, assurance and compliance issues which had previously been the subject of separate reports. The Committee had discussed the content and format and made some suggestions for improvement.
- 18.11 The Committee had also reviewed the latest version of the Assurance Map, and the Compliance Register of Policies.
- 18.12 At the conclusion of the meeting, the members had met privately with the Executive to consider the preferred option for the procurement of Internal Audit Services for the forthcoming year. It had been agreed that KPMG would be re-appointed for one final year. The Tender and Procurement process for a new provider would be initiated in the summer of 2018.
- 18.13 Finally, Alan Graham reported on his recent attendance at a meeting of approximately 40 ARAC Chairs from across government under the auspices of the Government Internal Audit agency. Key themes had been Cyber and Information Security Risks and Resilience, GDPR readiness, Impact of Brexit, and Internal Audit focus.

19 Report: Quality Committee

- 19.1 Draft minutes of the Quality Committee meeting of 16 November 2017 had been distributed. Elisabeth Davis said that she wished to highlight three main points from that meeting.
- 19.2 The Quality Committee's main focus was moving from looking at the 'here and now' to tracking forward and forecasting quality in the future.
- 19.3 The Committee was receiving regular updates on the Caseworker Development Programme and the Target Operating Model. These could be tracked back to previous projections on quality, as well as allowing us to make projections going forward.
- 19.4 The Service Charter remained at the heart of the Committee's work. The Committee now had a full year's data, which was used to drill down to identify and track trends and divergence.

20 Any other business

20.1 Amanda Campbell said that this was Rebecca Marsh's last Board meeting . She thanked Rebecca Marsh for her work at PHSO and her contribution to the Board. Her achievements included:

- Development and implementation of the Service Charter;
- The Target Operating Model;
- The Caseworker Development Programme, where Rebecca Marsh has personally quality-assured the whole of the content of the training programme.

20.2 Rebecca Marsh said that valued the support she had received from the Board and was confident that Rob Behrens and Amanda Campbell would take PHSO forward into a true Ombudsman environment.

21 Next meeting and forward plan

21.1 The next meeting would be the Budget Planning meeting on 1 February 2018 in London.

The meeting ended at 16:00