

Minutes of the Board Open Session meeting held on 20 March 2024 at Millbank Tower

CHAIR

Sir Rob Behrens, Ombudsman (Knighthood awarded 14 June 2024)

NON-EXECUTIVE MEMBERS

Sir Alex Allan KCB (Senior Non-Executive Member)

John Ainsworth

Polly Curtis

Anne Davies

Dean Fathers

Michael Parsons

Anu Singh

EXECUTIVE MEMBERS

Rebecca Hilsenrath, Chief Executive Officer (CEO)

Gill Kilpatrick, Chief Operating Officer (COO)

IN ATTENDANCE

Karl Banister, Director of Operations, Legal and Clinical (*MS Teams*)

Maria Mansfeld, Chief of Staff

Roz Pedersen, Assistant Director, Finance

Hazel Waddington, Assistant Director, Transformation (*MS Teams*)

Faridah Newman, Governance Officer (minutes)

OBSERVERS:

Faye Glover, Private Secretary to the Ombudsman

APOLOGIES

Amerdeep Somal, *Ex-Officio* Member

Kate Eisenstein, Interim Director of Strategy

5. Chair's Introduction and Welcome

5.1 The Chair welcomed members and attendees to the meeting.

5.2 Members noted apologies from *Ex-Officio* Member Amerdeep Somal and Interim Director of Strategy Kate Eisenstein.

5.3 The Chair welcomed his Private Secretary, Faye Glover, who was present to observe the meeting.

6. Declarations of Interest

6.1 None declared.

7. Minutes and Matters Arising from the previous meeting shelf on 13 December 2023 and 24 January 2024

7.1 The minutes of the meetings held on 13 December 2023 and 24 January 2024 were approved as a true and accurate record.

7.2 Members noted the matters arising as all either complete or on track.

Strategy - Senior Non-Executive in the Chair

8. Chief Executive's Report to the Board

8.1 Members received a verbal update from the CEO:

- Productivity has remained high in the context of continued above-forecast demand, with credit to to the casework teams for all their hard work and the Director and Deputy Director of Operations for their leadership on this;
- Conversations will follow in the new financial year about activities to meet ongoing demand challenges;
- The Staff Survey has highlighted particular areas for attention e.g. senior leadership and change management. These will be explored further through conversations with colleagues, including focus groups.

8.2 Members discussed the report, including the below key points:

- Potential impacts of Citygate office closure on productivity: The office is remaining open for those who cannot work from home for various reasons. While there are individual differences in home working productivity, this will be monitored on an ongoing basis and a net neutral outcome is anticipated.
- The importance of clear communication of the Executive Team's thinking in response to the Staff Survey results to assure colleagues that their feedback will be acted upon.

8.3 Members **noted** the report.

9. Ombudsman's Report to the Board

9.1 Members received a verbal update from the Ombudsman.

9.2 Members discussed the report, including the below key points:

- Recent media coverage has raised again the issue of PHSO's name and whether this should be changed to support public recognition: several recent headlines have referred to us as a 'watchdog';
- Potentially supplementing our organisational recognition survey with other monitoring methods e.g. media indices;
- Opportunities to link with the Government's Levelling Up agenda.

9.3 Members noted the report.

10. PHSO Business Plan and Budget 2024/25

10.1 Members received verbal updates from the Chief Executive Officer, Chief Operating Officer, AD Transformation and AD Finance.

10.2 Members discussed the 2024/25 Business Plan and reflected that in relation to Digital, Data and Technology (DDAT) activities, the outcomes and benefits indicated that the investment would fully deliver the outcomes within the year, when this included longer-term ambitions.

Action: AD Transformation to ensure clarity of the outcomes and benefits to be delivered in 2024/25 by the DDAT capital envelope in the Business Plan 2024-25 in consultation with Non-Executive Digital Lead

10.3 Members discussed the relationship between reporting on Value for Money (VfM) and the Board

Action: COO to consider how VfM can be more effectively integrated within Board level discussions.

10.4 Members discussed Annex 3 to the Business Plan (Delivery Risks), noting that an area of Casework Programme focus is on improving demand prediction capabilities to better inform decisions around mitigating activities.

10.5 Members discussed Annex 4 to the Business Plan (Corporate KPIs):

- The KPI 'Proportion of Investigations published (%) YTD' should be made more ambitious as soon as DDAT work to facilitate this is completed. In the meanwhile however, members **agreed** that the stated target is acceptable;
- The KPI recommended for removal at page 84 will remain under monitoring and management by the People and Talent Team.

10.6 Members discussed the Inclusion and Wellbeing Bridging Plan 2024-25 (Annex 5), including the below key points:

- Whether this should mix internal wellbeing with externally facing equality, diversity and inclusion work;
- An apparent disconnect with the most recent Staff Survey results on wellbeing and conversations being had at Quality Committee about learning from new sources of data;

- A need to better capture the wealth of activity underway in Inclusion and Wellbeing across the organisation.
- 10.7 Members received assurance from the CEO that the Inclusion and Wellbeing Bridging Plan 2024-25 has been developed to mitigate the risk of misaligned strategies throughout the organisation and a more robust strategy will follow from 2025.
- 10.8 Members discussed the Budget 2024/25:
- Evaluation of the three completed roadshow pilots is underway and must be completed to inform decisions about any new ones. The AD Finance provided assurance that they can be delivered within budget.
- 10.9 Members **agreed** to:
- Approve the Business Plan for 2024/25 in Annex 1 *subject to changes outlined at action 10.2*;
 - Approve the 2024/25 Resource and Capital Budgets;
 - Approve the Corporate KPIs for 2024/25 in Annex 4;
 - Note the Business Plan Outcomes and Benefits in Annex 2;
 - Approve the Inclusion and Wellbeing Bridging Plan for 2024/25 in Annex 5 *subject to changes to take into account the considerations outlined at 10.6*;
 - Note the principle of allocating any future savings to this prioritised list with specific approval sought at Executive Team meetings.
- 11. PHSO Risk Appetite 2024/25**
- 11.1 Members received a verbal update from the AD Transformation.
- 11.2 Members discussed the report, including the below key points:
- Per comments at 10.5 in the preceding item, a less risk-averse approach will be required for casework publishing to support a higher percentage KPI and bring these elements in line with our response to the Peer Review recommendations.
- 11.3 Members **agreed** the Risk Appetite 2024/25, *subject to re-articulation of the risk appetite under Strategic Objective 1 concerning casework publishing*.
- 11.4 **Action: AD Transformation to re-articulate the risk appetite under Strategic Objective 1 concerning casework publishing to make this less risk-averse in support of the ambition to publish a majority of cases.**
- 12. Transition to a new Ombudsman**
- 12.1 Members received a verbal update from the Chief of Staff.
- 12.2 The Board thanked the Chief of Staff for her diligent handling of complicated stakeholder relationships in this work.

- 12.3 Members requested a further Private Session of the Board in early April with the Interim Ombudsman to discuss Ombudsman transition further.
- 12.4 Members noted the report.

Ombudsman in the Chair

13. Strategic Risk Report 2023/24 P10

- 13.1 Members received a verbal update from the AD Transformation.
- 13.2 Members discussed the report.

Action: Residual risk score approach (informed by consideration of mitigations) to be used for future Strategic Risk Reports to Board (instead of the current target-based approach).

- 13.3 Members noted the report.

14. Financial Management Report 2023/24 P10

- 14.1 Members received a verbal update from the AD Finance.
- 14.2 Members thanked the AD Finance and the wider Finance Team for their work to put the budget into a strong year-end position.
- 14.3 Members discussed the report, including the below key points:
- Judicial Review of the State Pension Age Investigation: Work is continuing to reduce the overall cost as much as possible. Further legal challenge is a risk into 2024/25.
 - There are very few remaining risks and estimates to work through in the final few days of the financial year. Expenditure risks have been reduced through close oversight.
- 14.4 Members noted the report.

15. Operations and Corporate Performance Report 2023/24 P10

- 15.1 Members received a verbal update from the Director of Operations, Legal and Clinical.
- 15.2 The Chief Operating Officer confirmed that there were no significant Corporate Performance updates to report this quarter.
- 15.3 The Chair thanked the Chief Operating Officer and the Director of Operations, Legal and Clinical for their work in enhancing the performance and reputation of PHSO during his time as Ombudsman.
- 15.4 Members noted the report.

16. Business Plan and Strategy Delivery 2023/24 P10

- 16.1 Members received a verbal update from the AD Transformation.

- 16.2 Members discussed the report, including the below key points:
- Peer Review recommendation 5 remains an important ambition with significant impacts to individuals. Current leaning is towards an Artificial Intelligence-based solution which could depersonalise complaints for publishing.
 - Peer Review recommendation 15 could be publicised more effectively e.g. academic research regarding the Advisory, Conciliation and Arbitration Service (ACAS) published in 2016¹ concluded that ACAS services return approximately £13 to the GB economy for every £1 invested.

Action: Updates on Peer Review recommendation 5 to continue to be reported to Board meetings.

- 16.3 Members noted the report.
- 16.4 Members **agreed** the Call Centre Call Recording Contract Variation as proposed.

Governance

17. Audit and Risk Assurance Committee - Strategic Update

- 17.1 Members received a verbal update from Audit and Risk Assurance Committee Chair Michael Parsons.
- 17.2 Members noted the report.

18. Quality Committee - Strategic Update

- 18.1 Members received a verbal update from Quality Committee Chair Dean Fathers.
- 18.2 Members noted the report.

19. Inclusion & Wellbeing Committee - Strategic Update

- 19.1 Members received a verbal update from Inclusion and Wellbeing Committee Chair Anu Singh.
- 19.2 Members noted the report.

20. Board Effectiveness Review 2023/24

- 20.1 Members received a verbal update from the Chief of Staff.
- 20.2 Members agreed the approach to the 2023/24 Board Effectiveness Review subject to the below amendment:

¹ <https://www.acas.org.uk/sites/default/files/inline-files/economic-impact-of-Acas-20161-accessible.pdf>

Action: Optional free text response option (not mandatory) to be extended to the end of each of the 7 sections of the Board Effectiveness Review Survey 2023/24.

21. Annual Report Update

21.1 Members received a verbal update from the Chief of Staff.

21.2 Members noted the report.

Other Business

22. Forward Plan and Date of Next Meeting

22.1 Members **agreed** the Forward Plan.

22.2 Members noted that the next meeting will take place on 19 June 2024.

23. Any Other Business

23.1 Members noted that this was Sir Rob Behrens' final PHSO Board meeting as Ombudsman and Chair.

23.2 The Board thanked Sir Rob Behrens for the outstanding contribution he had made as Ombudsman, reflecting the significant organisational change in his tenure, and the impact PHSO now has.

24. Review of the Meeting

24.1 The observer shared their reflections on the meeting.

The meeting ended at 15:10