



Parliamentary  
and Health Service  
Ombudsman

Local Government  
**OMBUDSMAN**

## LGO-PHSO JOINT BOARD MEETING

20 June 2016

## **MINUTES OF LGO-PHSO JOINT BOARD**

**20 JUNE 2016**

### **CHAIRS:**

Dame Julie Mellor DBE, Parliamentary and Health Service Ombudsman  
Dr Jane Martin, Local Government Ombudsman

### **LGO EXECUTIVE MEMBERS:**

Michael King, Chief Executive Officer  
Nigel Ellis, Executive Director of Operations

### **PHSO EXECUTIVE MEMBERS:**

Alan Doran, Interim Chief Executive Officer  
Gill Kilpatrick, Executive Director of Finance and Governance  
Rebecca Marsh, Executive Director of Operations and Investigations  
Sarah Wilde, Director of HR, People and Talent  
Helen Holmes, Legal Adviser

### **NON-EXECUTIVE MEMBERS:**

Carol Brady (LGO)  
David Liggins (LGO)  
Sir Jon Shortridge KCB (LGO and PHSO)  
Elisabeth Davies (PHSO)  
Alan Graham MBE (PHSO)  
Ruth Sawtell (PHSO)  
Sir Jon Shortridge KCB (PHSO)  
Julia Tabreham (PHSO)  
Helen Walley (PHSO)

### **ALSO IN ATTENDANCE:**

Rebecca Milner, Ombudsman Reform Team, Cabinet Office  
John Dickinson-Lilley, Interim Director of Public Affairs, PHSO  
Adam Hawksbee, Principal Private Secretary to the Ombudsman, PHSO  
James Harrigan, Governance Risk & Assurance Manager, PHSO (minutes)

## **1. INTRODUCTIONS & WELCOME**

- 1.1 The Chair welcomed everyone present to the meeting and invited them to share their views on the matters to be discussed.

## **2. THE JOURNEY SO FAR - REFORM**

- 2.1 Michael King and John Dickinson-Lilley presented this item, which introduced the roots of Ombudsman reform and the aims and principles of the Ombudsman reform programme, along with the achievements made to date, the outstanding questions, and the work to be done in the future (including developing criteria for success).
- 2.2 Summary of Joint Board discussion:
- It was agreed that the minimum intention is that everything currently in scope for LGO and PHSO should be in the scope of the new Public Ombudsman Service (POS), with the eventual wider vision being that all democratically controlled local and parliamentary services would be included.
  - It was noted that we have already made good progress in terms of our essential legislative requirements and position statements on other significant matters, but we recognise that some issues are still under discussion.
  - It was agreed that stakeholders, including the public, should be kept fully informed during the reform programme.
  - It was agreed that the success criteria for the legislation should include:
    - Meeting the objectives of the three key principles: better for the public, better for Parliament and better value for money.
    - Maximising the discretion of the POS without being too legalistic.
    - Meeting the principles of good governance.
  - It was agreed that more work was needed on establishing a governance structure that includes Ombudsman accountability to the POS board.
  - It was agreed that it was important to protect the current independence and statutory authority of the position of Ombudsman.

### **3. THE JOURNEY SO FAR - CONVERGENCE PROGRAMME UPDATE AND JOINT OPERATIONS**

3.1 Nigel Ellis and Gill Kilpatrick introduced this item, which set out:

- The progress made to date in delivering the agreed aims arising from the Joint Convergence Programme (JCP); and
- The importance of achieving value for money (VfM) in establishing a proposed new POS that delivers the Optimum Ombudsman Service, and the progress made to date in determining the resources required for this.

3.2 Summary of Joint Board discussion:

- The Joint Board welcome the benefits achieved to date through the JCP.
- It was noted that DCLG had been unable to appoint consultants for the Value for Money assessment because the original timescales given for completing the necessary work were too tight.
- It was noted that the money in DCLG's budget for the VfM assessment was guaranteed only until March 2017.
- The Joint Board agreed that LGO and PHSO both need to recognise the capacity and resource issues they each face, and collectively agree a line of sight for what needs to be done now.
- It was noted that the specificity of the VfM assessment would be contingent on the Government being clear on what the POS will be.
- It was agreed that a clear, costed plan for transition to the POS will be needed.

### **4. TAKING STOCK - LGO AND PHSO BUSINESS PLANS FOR 2016/17**

4.1 Mick King and Gill Kilpatrick presented the item and talked the Joint Board through the key goals in the 2016/17 Business Plans for LGO and PHSO respectively.

#### 4.2 Summary of Joint Board discussion:

- It was agreed that the continuous improvement agenda from the Optimum Ombudsman Service was a core part of both LGO's and PHSO's agenda for 2016/17.
- The Joint Board agreed that work would continue on a number of joint projects including, for example, accommodation, pay and pensions, and systems alignment.
- It was agreed that the joint work already underway was important regardless of the legislative timetable. As progress towards convergence continues, there will be more work that both organisations can identify and take forward to prepare for the eventual legislation.
- The journey so far has been about getting both organisations running at the same speed, and looking for 'easy wins', but now it is important to get the strategy right.
- It was agreed that PHSO would need to use its skills and resources to deliver the transformational aspects of its Business Plan in such a way as to help simultaneously progress the convergence agenda.
- It was noted that PHSO has set itself a lot to do in 2016/17. Working closer together will benefit both organisations, but there is a differential in ability and resources for both organisations to be able to make that progress at the same speed that must be recognised.

#### **5. TRANSITION TO A PUBLIC OMBUDSMAN SERVICE: SCENARIO PLANNING - STAGES AND 'THE THREE TESTS'**

5.1 Mick King and John Dickinson-Lilley introduced this item, which detailed the legislative and operational pathways for transitioning to a POS organisation.

5.2 Following discussion by the Joint Board, Dame Julie Mellor provided a summary of this item and the issues discussed during the meeting thus far, on behalf of the Joint Board:

- There are two possible scenarios:
  - Delivery of legislation
  - Moving forward towards convergence without legislation
- There is a shared vision for a service that meets three key principles: that it is accessible to all who require it; that it has the full range of powers necessary to carry out its duties to best effect; and that it should be able to have a system-wide impact on the delivery of public services.
- The service should cover everything currently in scope for LGO and PHSO, with the eventual wider vision being that all democratically controlled local and parliamentary services in England, and should report to Parliament.
- There are three elements of context to the two scenarios outlined above:
  - A huge amount of work has already been done, including joint operations work; the telephony system; financial systems; the casework management system; the Optimum Ombudsman Service vision; and the shared legislative agenda for Ombudsman reform.
  - The scale of the transformation at PHSO has to be taken into account and should not be jeopardised.
  - Staff at both organisations should be kept fully informed and engaged throughout the reform process, to avoid unnecessary uncertainty.
- If legislation proceeds smoothly:
  - Royal Assent will be received sometime between summer and winter 2017.
  - At least 12-18 months would be need from the time Royal Assent is received before the new organisation is fully set up.
  - There is work we would want to do to engage with stakeholders, including the public, in order to shape the legislation. Non-Executive Board Members can also play an important role in this work.
  - We need to develop a clear plan for the next stages of organisational transformation. In the immediate future we should continue to progress relevant convergence activities, including developing the VFM

work; accommodation strategy; harmonising systems; and continued joint operations work.

- LGO and PHSO will, individually and collectively, meet the following three tests in determining what convergence activities are appropriate:
  - We should not tie the hands of our successors
  - We must recognise that both organisations have limited capacity to deliver joint convergence work at present
  - Our priority must be to ensure that both existing schemes must be maintained as viable standalone bodies for now.
- If the legislative pathway is not smooth:
  - We would look in more detail at identifying further convergence activity to undertake. There is an appetite within both LGO and PHSO for seeking additional capacity to help with that process, whilst continuing to take into account the ongoing issue of PHSO's transformation agenda.
  - We would need to look again at 'the three tests' as these would change.
- Next steps:
  - Given the appetite of both organisations' Boards for proceeding with the reform vision even without legislation, each organisation and its Board should discuss the matter further: to get an idea of the scale of potential progression, and to identify the key priorities and how to accomplish them.
  - It is important that PHSO should first put straight the difficulties it currently faces, however, to avoid putting convergence work at risk.
  - The Joint Board will review a programme plan from the executives at its next meeting in the early autumn.

## **6. NEXT STEPS: STATEMENT OF COMMITMENT**

- 6.1 The Joint Board agreed it would issue a Joint Statement of Commitment. The matters to be included in the joint statement of commitment had largely been discussed already. It was agreed that the primary audience for the statement

would be the Government and stakeholders, and also staff, whose concerns should be recognised and addressed within the statement.

6.2 It was agreed that the statement should include a commitment to ongoing dialogue, and clarity on what would be done now. It was also agreed that the following additional criteria for success should be included:

- Meeting the three principles (access, powers, and impact, with an emphasis on access and powers).
- Maximising the discretion of the Public Ombudsman Service.
- Eliminating the vulnerabilities in the use of existing powers (notably in respect of having the authority to provide financial remedy)
- Preserving the Ombudsman's independence and authority.
- Meeting the principles of good governance.

## **7. NEXT STEPS: GOVERNANCE ARRANGEMENTS**

7.1 The Joint Board discussed the future governance arrangements and agreed the following:

- The LGO and PHSO Boards will continue to meet periodically as a single Joint Board. This will be responsible for providing a strategic steer and collective energy for the next phase of Ombudsman reform. The pattern of meetings for the Joint Board will be confirmed at a later point.
- There should be a Joint Reform Executive, comprised of the two Chairs and Ombudsmen and the two Chief Executives. This will operate as a Joint Programme Board.
- LGO's and PHSO's Boards should be regularly updated on progress.

**END.**