

MINUTES OF THE PHSO BOARD MEETING

TUESDAY, 23 JULY 2013

15th floor, Millbank Tower

10am-3.30pm

EXECUTIVE CHAIR:

Dame Julie Mellor DBE, the Ombudsman

EXECUTIVE MEMBERS:

Gwen Harrison, Interim Director of Operations

Gavin McBurnie, Interim Director of Operations (Business Development)

Mike Procter, Interim Executive Director Business Transformation

NON-EXECUTIVE MEMBERS:

Peter Freedman

Sharmila Nebhrajani

Sir Jon Shortridge KCB

Helen Walley

APOLOGIES FOR ABSENCE:

Helen Hughes, Chief Operating Officer

Sacha Deshmukh, Interim Executive Director External Affairs and Strategy

IN ATTENDANCE:

Steve Brown, Head of Executive Office and Governance

Joy Higgins, Executive Assistant to the Ombudsman (minutes)

Lynn Hugo, Interim Director of HR, People and Talent

Oliver Land, Executive Assistant to the Ombudsman

Deborah Oliver, Interim Director of External Affairs (for Sacha Deshmukh)

Graham Payne, Director of Finance, Planning and Performance

OBSERVERS:

Rosemary Jenkins, Casework Manager

Byron Johnson, Engagement Champion and Business Support Officer

Jonathan Nashed, Investigator

- 1. Minutes, matters arising and action points of the previous meetings - 30 April and 13 June 2013**
 - 1.1 The minutes and restricted minutes of the Board Meeting on 30 April were approved as an accurate record. There were no matters arising.
 - 1.2 The minutes of the Extraordinary Board Meeting on 13 June were approved as an accurate record.
 - 1.3 The Board asked whether there had been any feedback from staff or stakeholders on the Annual Report 2012-13, which had been approved at the 13 June meeting.

Deborah Oliver stated she was not aware of any feedback to date, and undertook to obtain staff feedback via the next Cascade Briefing session.

1.4 Progress against the action points was noted.

2. Minutes for publication

2.1 The Board reviewed the minutes of the meetings on 10 January, 29 January and 19 March and agreed that they could be published on PHSO's website subject to confirmation by the Interim Executive Director External Affairs and Strategy.

3. Report from the Chief Operating Officer to the Board

3.1 The Board reviewed the COO report, which it found very valuable.

3.2 The Board noted the following:

- The publication of the Review of Hospital Complaints ('the Clwyd/Hart Review') was now expected in September and remained an area of focus
- The publication of the Review of 14 Trusts with High Mortality Rates ('the Keogh Review') was published on 16 July; some of the information we submitted to the review had been misinterpreted but this had now been corrected
- The Ombudsman had given oral evidence to the Public Administration Select Committee (PASC) Inquiry, *Complaints; do they make a difference?*, which had been well received
- PHSO had submitted written evidence to the second PASC Inquiry, *Parliament's Ombudsman Service*, and the Ombudsman would be called to give oral evidence in the Autumn
- A visit to the Netherlands Ombudsman, who share very similar challenges and opportunities to PHSO, had provided excellent learning and would be followed up by a reciprocal visit for senior staff to learn more from their experience
- NHS England were about to pilot *Care Connect*, a telephone line for health enquiries and complaints, and PHSO was supporting its development. The October Board meeting would review its progress and consider next steps
- PHSO had responded to the Department of Health independent review of the Liverpool Care Pathway (LCP) highlighting a number of common themes in complaints to PHSO about end of life care, which we had previously shared with Macmillan Cancer Support. Following the review, PHSO had only received a

handful of enquiries about the LCP but had a team ready to deal with complaints should more be received.

- 3.3 The Chair highlighted a correction to section 4.4 of the report, which should have read, 'we sought and received confirmation from Grant Thornton that there would be no common personnel involved in PHSO's internal audit and the CQC review'.
- 3.4 The Board noted that PHSO's Travel and Subsistence Code had been amended by the Leadership Team to reflect its decision that there should be no first class travel taken by staff. The Chair took the view that the revision should also apply to herself and non-executive Board members. The Board agreed.

4. PHSO Performance Measures Framework

- 4.1 Graham Payne introduced the draft performance measures framework following the Board's workshop on 30 April 2013. The framework had four levels:
- Progress against a vision for public sector complaints (not part of PHSO performance but needs to be measured)
 - Strategic measures of success, reported annually to the Board, Parliament and key stakeholders
 - Delivery against strategic objectives, reported quarterly to the Board
 - Delivery level metrics, reported monthly to the Leadership Team.
- 4.2 Graham added that, having used the framework to populate the Quarter 1 Performance Report, it had become apparent that a quarterly operational or delivery performance report was needed for the Board.
- 4.3 The Board discussed the framework in detail and felt it could now 'see the wood for the trees'. The Board made the following comments, by aim:
- Aim 2: provide information on reasons for closing cases with trend analysis, expressed positively where there was value added by PHSO
 - Aim 2: measure actual workload numbers not just throughput
 - Aim 2: quality and broadening the assessment of the quality of our work to include bodies in jurisdiction and MPs (a Board workshop would be set up to look at this)
 - Aim 3: need more on the content of our casework and what we have learned from it; capture and report on the themes identified in casework each quarter and systemic recommendations accepted
 - Aim 3: check that we are capturing impact at the strategic measures level

- Aim 4: check that we are capturing impact at the strategic measures level
- Aim 4: add strategic objective level measures on the impact and results of recommendations we make in respect of complaints systems
- Aim 4: need more on the insight regarding complaint handling from our casework and what we have learned from it; capture and report on the themes identified in casework each quarter and systemic recommendations accepted
- Aim 5: for internal audit measures, the minimum acceptable performance should be 'substantial assurance'.

4.4 The Board approved the framework, which would be adapted over time if necessary, and noted next steps. The Leadership Team would develop targets for each of the measures.

5. 2013-14 Quarter 1 Performance Report

5.1 The 2013-14 Quarter 1 report presented the first performance measures data using the new measures framework, linked to PHSO's Strategic Plan. In addition, the covering paper included a summary report on progress against the 2013-14 Corporate Business Plan. The formats of the reports were provisional and subject to Board comment.

5.2 The Board discussed performance by aim, making the following points:

Aim 1

- The Board noted the apparently significant drop in awareness with some concern and asked that work be conducted in time for the next report to check the accuracy and statistical significance of the data. The Board also asked that future reports on the awareness performance measure should;
 - include comparative data from other Ombudsman services
 - distinguish between general awareness and awareness at the point they need our service
 - have a narrative that is consistent with the timescale of the data provided
 - check statistical significance
 - in future, set targets for awareness:
 - a) among those who need us, at the point they need us
 - b) general awareness including of Ombudsmen generally.

FOR PUBLICATION

- The Board noted the stakeholders that had been included in data on awareness, and expressed surprise at the low levels of awareness in organisations, such as Citizens Advice, that should know us well. There would be research on awareness in the current year to establish baseline data and the Board asked that the selection of stakeholders to be included in the survey be reviewed, particularly as there were few Health-related bodies, eg National Voices, Local Healthwatch and health advocates.
- The Board noted that awareness was not a feature of business plan objectives this year, as the Strategic Plan places more emphasis on this work from year 2 onward.

Aim 2

- The Board noted this was the first time 'cost per case' had been included in performance measures, stressed the provisional nature of the figures, and asked that future reports include cost per case comparisons with other Ombudsman services, with an explanation of differences where possible.

Aims 3&4

- The Board noted the reported performance information.

Aim 5

- The Board agreed that performance measures in respect of workforce and finance should be reported as separate groups, as this would be more meaningful than the current report's presentation. These should also be included in the future delivery performance report, that would provide both the Board and the Leadership Team with key performance information in a summarised format.
- The Board asked that the issue of 'value for money', in terms of the service we provide to the taxpayer, be considered by the Leadership Team so that there is a clear corporate understanding of the term when used with performance measures.
- Measures as outcome focused as possible (as distinct from input or output or longer term impact).

6. 2013-14 Quarter 1 Operational Performance

- 6.1 The Board reviewed the Corporate Business Plan progress report (Annex A to the previous item) along with the Operational Performance information.

6.2 The Board suggested a number of further developments:

- It questioned the green RAG-rating of 13 of the 14 Corporate Business Plan objectives. It was suggested that the Leadership Team review the criteria for the RAG-rating.
- It requested reporting by aim
- Measures for where will have got to by year end should be as outcome-related as possible (as opposed to input, output or longer term impact)

6.3 The staffing and structures objective was rated amber. Mike Procter explained that the amber rating reflected the fact that the next phase of work - developing and populating the structure below Director-level - was due before Christmas. This was a challenging timescale but the Leadership Team was committed to achieving it in order to provide staff with certainty over their roles by Christmas at the latest. The Leadership Team had agreed the transition approach and timetable on 16 July.

6.4 On performance, the Board agreed that it would expect at the September Board meeting an operational performance report covering:

- whether Case Assessment Team (CAT) figures were on track with expectations by the end of August as indicated by Operations directors
- how the increase in the number of investigations would be managed
- revised forecasts of agreed levels of work in hand and an indication of impact on our ability to meet service standards
- what had been learnt from the Local Government Ombudsman transformation that could help PHSO speed up case handling.

7. 2013-14 Quarter 1 Strategic Risk Report

7.1 The Board was concerned with the following risks:

- the delivery of core services, particularly criticisms of our quality and our ability to deal with thousands of investigations in line with our new strategy - which had been discussed at item 6 and should have been rated 'amber'
- stakeholder management, particularly our activity with regulatory bodies about our role and performance, and confidence in us and our authority - which should have been rated 'amber'
- technology and knowledge management, particularly our ability to identify patient safety issues and refer them to regulatory bodies - which should have been rated 'amber'

- 'information security' and 'business continuity' should be added to the register.

7.2 The Board commented that the risk register needed to be aligned with performance management and that the nature of risks was too generic and required definition.

8. Business Transformation Programme - Development of our Operating Model

8.1 The Board reviewed the Operating Model and made the following comments, which would need to be reflected in any further iterations:

- It is very good as a descriptor of what we do
- It needs to be accompanied by our vision and values
- It needs to be accompanied by some context about its purpose to help staff and external stakeholders understand why we are doing things. For example: it informs business transformation projects; it informs how we achieve our aims about using insight to help others improve public services and complaint handling; and it informs our approach to internal change.
- It needs to be accompanied by a description or definition of an operating model
- The weight of our investigative activity needs to be better reflected visually.

9. Business Transformation Programme - Complaints Delivery Process Model

9.1 The Board agreed the aims in outline.

9.2 The Board discussed the purpose, deliverables and quality standards of the process redesign and, noting the scale of the work, asked that the deliverables be prioritised. The Board felt there should be a separate deliverable around process design for systemic investigations.

9.3 The Board welcomed the intention to reduce the cost per case but questioned whether, in light of the Local Government Ombudsman's (LGO) experience, we could be more ambitious. It was suggested that the proposed quality standards be tested against the LGO's standards. The Board felt that the proposed quality standards were very complainant-focused and that we should also consider how we want Parliament and bodies in jurisdiction to view our service.

10. Business Transformation Programme - Update

- 10.1 The Board received a presentation on progress of the Programme to date which included a reminder of the structure, governance arrangements and monitoring of the Programme.
- 10.2 The Board reviewed the aims, benefits, risks and progress of the projects within the Programme, and questioned the assessment of the risks around the 'new ways of working' project (project 7) and the mitigating actions. Mike Procter stated that the risk was 'amber' but heading in the right direction. Project 7 and project 12.2 (organisational development and people) would be brought to the October Board meeting for the Board to review and agree the aims. The Board asked for the Programme risk register to be included with the update and noted that the Leadership Team would provide the Board with a programme of projects to be considered by the Board for the remainder of 2013-14.
- 11. Securing Advisory Input into PHSO Strategic Thinking**
- 11.1 The Board had discussed the potential value of establishing a PHSO advisory group to feed into our understanding of public service failure and advise on continuous improvement of our own service, at the Board dinner on 18 March. Since then, the Interim Executive Director of External Affairs and Strategy had considered the matter, in conjunction with others, and brought a proposal back to the Board.
- 11.2 The proposal was to hold a small number of advisory workshop events, with subject-specific attendees, designed to provide additional insight into PHSO thinking, rather than the establishment of a formal advisory group which could lack focus and be resource intensive. The workshop events would be held in the summer and the evidence from them would be fed into the strategic planning session in the autumn.
- 11.3 The Board agreed the proposal.
- 12. Update on the Board Development Workshop on 17 June 2013**
- 12.1 The Board noted the paper which provided a summary of the areas covered by the workshop and the agreed next steps, progress to date and the mechanism for reporting further progress.

13. Audit Committee and Remuneration Committee Terms of Reference

13.1 The Board reviewed the paper and agreed the terms of reference for the Audit Committee.

13.2 The Board agreed to consider the establishment of a Pay or Remuneration Committee and the Secretariat would contact members for their views.

13.3 The Board noted that in order to agree the 2013 pay award, an ad hoc Pay Committee would be convened which would be made up the Ombudsman as chair and two non-executive Board members.

14. Audit Committee Minutes of meeting on 13 May 2013

14.1 The Board adopted the minutes of the Audit Committee meeting on 13 May 2013.

15. Board Forward Programme

15.1 The Board noted the forward programme, the format of which had been revised following the Board development session on 17 June.

16. Any Other Business

16.1 There was no other business.

17. Date of the Next Meeting

17.1 The next Board meeting would be held on Tuesday, 17 September 2013 from 10am to 4pm and would include a risk workshop.