

**MINUTES OF THE PHSO BOARD MEETING**  
**TUESDAY, 25 MARCH 2014**  
15<sup>th</sup> floor, Millbank Tower  
10.30am – 4.00pm

**EXECUTIVE CHAIR:**

Dame Julie Mellor DBE, the Ombudsman

**EXECUTIVE MEMBERS:**

Mick Martin, Managing Director  
Mike Procter, Executive Director Business Transformation  
Sally Sykes, Executive Director External Affairs and Strategy

**NON-EXECUTIVE MEMBERS:**

Peter Freedman  
Dr Jane Martin  
Sharmila Nebhrajani  
Sir Jon Shortridge KCB  
Helen Walley

**IN ATTENDANCE:**

Gill Bull, Director of Strategy and Insight (items 5 and 6)  
Rebyn Buleti, Executive Office Team Assistant (observer)  
Joy Higgins, Secretariat Manager (minutes)  
Graham Payne, Director of Finance, Planning and Performance  
Diane Reay, Head of Media, Marketing and Internal Communications (observer)  
Sue Thomson, Head of Executive Office  
Tye Wright, Risk and Assurance Manager (observer)

**1. Welcome and introductions**

- 1.1 The Chair welcomed Jane Martin, new Non-executive Board Member, to her first Board meeting following her appointment in January. Dr Martin had been appointed to the Board by the Ombudsman in a reciprocal arrangement which acknowledged that the two organisations were moving towards convergence.
- 1.2 The Chair also welcomed the staff observers to the meeting.
- 1.3 The Chair thanked Helen Hughes, who had resigned as Chief Operating Officer in January, on behalf of the Board for her work over the last 18 months, particularly on PHSO's Strategy and in establishing the Executive Team.
- 1.4 The Chair also thanked Graham Payne, Director of Finance, Planning and Performance, who would be leaving in the summer, for his contribution to the organisation over the last 9 years and his support to the Unitary Board since its inception.

**2. Conflicts of Interest**

2.1 There were no conflicts of interest declared.

**3. Restricted and non-restricted minutes, matters arising and action points of the previous meeting - 21 January 2014**

3.1 The draft minutes would be agreed in correspondence after the meeting, once the Chair had approved them (action: Head of Executive Office).

3.2 The Board noted progress against the action points. The Board discussed PHSO's developing approach to quality assurance and agreed to examine the role the non-executive members might play. The Board agreed to hold a quality workshop at a future meeting with an update at the April Board meeting on the development of an evidence base, examples of good practice and the timing of the workshop (action: Managing Director).

**4. Report from the Managing Director to the Board**

4.1 The report was noted.

**5. Draft 2014-15 Business Plan**

5.1 The Board discussed the draft Plan and made comments in the following areas: style, what we will not do this year, comments on workstreams, reporting arrangements.

5.2 Detail and style (action: ED Business Transformation):

- Be more positive about having listened to customers' feedback, having proactively changed our service and our ambition for the future
- Needs a greater focus on IT
- Needs connection to 2013-14: what we achieved and learned, and are doing differently
- Equality and diversity objectives and plans for each Aim in the strategic plan need adding to the business plan
- The issue of insight from casework needed pulling together as part of the Aim 2 and 3 activity in the business plan

5.3 What will not be addressed in 2014-15

- Delivery of activity to raise profile under Aim 1- we will be doing the preparatory work, research, planning and making proposals for 2015-16

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- Delivery of Corporate Resources savings - We will be doing the diagnostic and planning work and making proposals for 2015-16
- Overall upgrade of IT systems (separate to case management system)
- A full programme of systemic investigation activity - but a limited programme (yet to be defined) would be carried out. The strategic/systemic investigations framework would be submitted to the Board (**action: ED External Affairs and Strategy**).

### 5.4 Workstreams

It was agreed that a number of issues in relation to work streams would be taken on board when the plan is revised. These included:

- adding the work to improve services to the priorities for the year, the projects are then the enabling activities
- a finance work stream to be added to describe the work which will be done to identify savings (from further integration with LGO, productivity, accommodation, etc) and cost pressures (such as compensation and benefits) so that we have the analysis needed to feed into planning for the next government spending round as well as future investment plans. (**action: ED Business Transformation**)

### 5.5 Reporting

The board agreed that the performance reporting against the business plan should include the LGO convergence agenda and a mapping out of the milestones for each work stream. This should be used to develop the forward programme for board meetings where input or decisions were required for each work stream as well as being used to provide a RAG rating and commentary for each work stream. (**action: ED Business Transformation**)

### 5.6 Pay policy

In terms of the second priority, resolving pay issues and engaging the workforce, a revised Pay Policy would be developed and submitted to the Board for approval (**action: Managing Director**).

5.7 The Business Plan would be further developed and refined and a final draft circulated to Board members before publication in April. The Board would be

informed of plans and progress with rolling out the Business Plan across the organisation at its meeting on 28-29 April (action: ED Business Transformation).

**6. Updating the Corporate Strategic Plan 2014-2019**

- 6.1 Gill Bull, Director of Strategy and Insight, gave the Board an overview of the proposed approach to the development and delivery of the updated Strategic Plan. The Strategic Plan was launched in 2013 and covered the period 2013-2018. Each year, the Plan would be updated and rolled forward a year.
- 6.2 The paper set out the changing external context and highlighted the known strategic issues that would need to be addressed over the period of the Plan. The Board discussed the starting assumptions detailed in the presentation, specifically 'more emphasis on being a customer service organisation'. It was agreed that our vision is to be excellent in all we do. It was recognised that our customers included bodies in jurisdiction as well as complainants and that being an impartial Ombudsman we could not always give customers what they wanted.
- 6.3 The Board supported alignment of LGO and PHSO strategic aims (action: ED External Affairs and Strategy).
- 6.4 The Board discussed the strategic choices posed in the presentation and made the following points:
- demand modelling needed to be undertaken for 2015-16 onwards.
  - for PHSO, Ombudsman reform was more a priority in terms of urgency than ombudsman services for private healthcare - these issues needed to be further examined by the Board (action: Executive Director External Affairs and Strategy).
  - PHSO should have an enabling role when it came to setting standards and accreditation rather than imposing a view on the sector. PHSO should also consider its role in relation to innovation.
  - More work was to be done on how PHSO should look at the end of the Plan period, what was achievable in that period and consider the implications for the pace of change in each year.
- 6.5 The Board would receive a draft of the 2014-19 Strategic Plan at a future meeting, date to be determined (action: Executive Director External Affairs and Strategy).

**7. Ombudsman Reform and LGO/PHSO Harmonisation**

7.1 The Executive Director for External Affairs and Strategy introduced the Board to the papers on Ombudsman Reform and LGO/PHSO Harmonisation, two areas of work which would be managed as a joint programme due to the interdependencies.

The key success factors for this major corporate programme included:

- agreement to a jointly shared overall vision of change and a joint statement of long-term strategic priorities
- clear governance roles and responsibilities
- clarity about the interdependencies of the different strands of work
- consistent, joined-up communications and stakeholder management.

7.2 The Board discussed the papers and agreed it needed a session on Ombudsman reform (the issues relating to the Robert Gordon Review and the PHSO Business Plan, not LGO convergence) to be thoroughly appraised of the issues and better able to contribute to debate and decision making on reform in future. **(action: ED External Affairs and Strategy)**.

7.3 The Board noted the LGO/PHSO Harmonisation Committee would have its first meeting on 15 May following a meeting of LGO and PHSO Executive Directors on 31 March. The Board stated that the first meeting of the Committee should receive a detailed programme or 'meta' plan, which defined the end state we were looking to achieve, the diagnostic work required and the critical issues and interdependencies **(action: Executive Director Business Transformation)**. A proposal on programme management arrangements would also be submitted to the first Committee meeting.

7.4 The Board agreed the Terms of Reference for the Committee and provided feedback on the aims which included needing to specify a date for the procurement of a new casework management system. IT security was identified as a key critical issue that needed to be addressed early on.

**8. An update on progress one year on: Baroness Fritchie's Review of the Health Service Ombudsman's approach to complaints that NHS service failure led to avoidable death**

8.1 The Board noted progress against commitments made as a result of the Fritchie Review and asked for updates to continue until all commitments have been delivered.

- 8.2 In addition, the Board asked for the number of investigations of avoidable death since February 2013, including some analysis of demographics in such cases. It sought assurance that all cases of avoidable death were being captured. Quality assurance would be carried out to ensure cases were being captured and the number of cases would be sent to the Board and added to monitoring information (action: MD [in capacity as ED Ops&I]).
- 8.3 The Board noted that although PHSO would be able to identify cases of avoidable death, due to the time lag in cases coming to PHSO we could not act as an 'early warning system'. We would work with the regulators (eg CQC) to pass on information gleaned from our investigations and this relationship would be explained in our Annual Report (action: ED External Affairs and Strategy).
- 8.4 The Board noted plans for reviewing how changes to the investigative process were communicated both internally and externally.

## 9. Learning from Complaints About Us

- 9.1 The Board welcomed the paper which outlined how PHSO was using the insight and learning from complaints about our service and decisions to feed into our service design and improve our service provision. It had also informed our strategy of providing more investigations for more people and our quality framework.
- 9.2 The Board noted that PHSO was one of the few Ombudsmen to have a review service.
- 9.3 The Board discussed improvements planned for our investigative methodology and the customer service standards that would address some of the issues identified by this review, including: managing customer expectations; throughput time of investigations; and, communication with customers.
- 9.4 The Board asked for future reports to provide comparative information with other Ombudsman Services and evidence of the application of the learning as well as how the learning fed into future quality assurance. Current comparative information would be provided by the Secretariat (action: Managing Director).
- 9.5 The Board discussed how the learning and insight from complaints was being fed into our approach to quality, which would be picked up in the Board's quality workshop later in the year. Once the quality framework was in place, non-executive-Board members would be able to get involved in quality assuring assessments and investigations. Non-executive members would also be involved with customer

satisfaction research, particularly in listening to customer feedback and experiences.

- 9.6 The Board agreed that the learning from complaints should be reported alongside quality data (quarterly, with an annual stock-take) to enable the Board to scrutinise learning, insight and action to improve, as well as contribute to informed recommendations for improvement.

## 10. PHSO Annual Report and Resource Accounts 2013-14: Concepts and structure

- 10.1 The Board reviewed the paper which outlined the approach being taken to the production of the Annual Report and Accounts. The key audiences for the Report were the Public Administration Select Committee, other senior stakeholders and the general public. The Report would highlight how we have started to deliver against our five strategic aims.
- 10.2 The Board discussed the key messages and provided feedback, including suggestions that we: look at best practice in accountability reports; ask stakeholders what they expect in an annual report, include our work with regulators under aim 3; are clear about our role, that we cannot be an early warning system, that we are about excellence in all we do rather than being a traditional customer service organisation and our independence.
- 10.3 A draft of the Annual Report would be submitted to the April Board meeting for review and comment (**action: ED External Affairs and Strategy**).

## 11. PHSO Pay Committee: Revised Terms of Reference

- 11.1 The Board was presented with revised terms of reference for its Pay Committee. The Head of Executive Office outlined the changes, including the removal of responsibility for agreeing pay policy, which it was proposed would be a matter reserved for the Board.
- 11.2 The Chair clarified that the Committee's responsibilities related to Executive Directors (including the Managing Director) and that annual pay settlements for pay bands A-S1/SA were matters for the Executive to negotiate and agree with the trade unions.
- 11.3 Subject to these clarifications, and the renaming of the committee as the 'Remuneration Committee', the Board agreed the terms of reference. The Board

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agreed the membership of the Committee would be: Helen Walley (chair), Jane Martin and Sir Jon Shortridge.

### 12. PHSO Board Forward Programme

12.1 The Board noted the forward programme which would be fully populated once the Business Plan was agreed (action: Head of Executive Office).

### 13. Any Other Business

13.1 There was no other business.

### 14. Review of the Meeting

14.1 Board members shared their views of the meeting and felt that the dynamic of the meeting was good. The Board welcomed the use of presentations which, along with improved papers, generated frank and useful discussion.

14.2 The Board reiterated the need for greater clarity in papers about what the Board was required to do and the added value the Board could bring (action: Executive Directors).

14.3 Non-executive members reminded Executive Directors that they were not as familiar with the detail of some of the issues, and that papers needed to take this into account (action: Executive Directors).

14.4 The observers also shared their impressions of the Board meeting, which included: welcoming seeing the thought and challenge that went into the high level direction of the organisation; the use of too much jargon; evidence of a diverse skills mix; and, an increasing focus on customers and the external landscape.

### 15. Date of the Next Meeting

15.1 The next meeting would take place on Monday, 28 April and Tuesday, 29 April.