

Meeting: Legal Services Board

Date: 26 March 2020

Item: Paper (20) 17

Title: **Annual report of the work of the RNC 2019/20**

Authors / Presenter/ Introduced by:

Jemima Coleman, Chair of RNC

Status: Official

Introduction: Purpose of the paper

1. This paper presents a report about the activities of the RNC in the period 1 April 2019 to 31 March 2020. This report is intended to inform the LSB's *Annual Report and Accounts 2019/20* – in particular by supporting the annual governance statement – and represents governance best practice.
2. This report concludes that the Committee's activities during the year under report provide sufficient assurance to the Board that there were effective arrangements in place in relation to remuneration and nomination and other executive employment matters. As such, the report also reflects on the Committee's effectiveness. This is in accordance with the RNC's Terms of Reference (ToR) which require that:
 - the Committee reviews its own performance and ToR at least annually to ensure it is operating at maximum effectiveness; and that the Chair will produce and present to the Board on an annual basis a report summarising the activities of the Committee and the outcomes of its work.
3. With regard to an annual review of ToR (Feb 2019), the RNC conducted a review of its terms of reference and made recommendations to the Board which were approved at the Board meeting on 25 March 2019.
4. The current ToR are attached at **Annex A**. (Last reviewed as part of the 2019 Governance Manual Review – agreed 26 November 2019).

Recommendation

5. The Board is invited to consider the work undertaken by RNC over the year and **note** the report.

Background

6. RNC's ToR require that it reviews its own effectiveness each year and reports to the Board on its activities. This contributes to the LSB's Annual Report and Accounts. Specifically, the ToR require that:
 - a. the Committee reviews its own performance and ToR at least annually to ensure it is operating at maximum effectiveness; and that
 - b. the Chair will produce and present to the Board on an annual basis a report summarising the activities of the Committee and the outcomes of its work
7. This paper is presented to the Committee as a draft report for approval and for onward submission to the Board.

Overview of the Committee and its ToR

8. As set out in the ToR, the Board has delegated to the CEO decisions about most aspects of the routine management of the LSB's executive team. RNC's role in relation to these issues is to oversee - on behalf of the Board - the exercise of these delegated authorities, and to advise the CEO on any novel or contentious matters that may arise and on what constitutes good employment practice.
9. In relation to policy or management matters reserved to the Board, matters relating to the performance of the Board and appointments to the Board, the Board of the OLC or the Consumer Panel, the Committee's role is to undertake such preliminary work as the Chair of the Board or the Board may require and to advise the Board on options and, where appropriate, on an appropriate course of action.

Membership and attendees

10. Arrangements for appointments to the Committee are set out in the Committee ToR. Members are appointed by and from the Board with periods of appointment agreed by the Chair of the Board. The quorum is three Members and a lay majority attending in person or by other means (in exceptional circumstances). Decisions may also be ratified by suitable exchange of correspondence.
11. The Committee met on three occasions during 2019/20: on 5 July 2019, on 4 February 2020 and for a special meeting on 18 September 2019. Following the departure from the LSB Board of Jeremy Mayhew on 30 September 2019, Ian Hamer was appointed a member of RNC with effect from 1 October 2019.
12. The Committee membership and attendance during 2019/20 was:

Remuneration and Nomination Committee

Jemima Coleman	3/3
Jeremy Mayhew	2/2
Marina Gibbs	3/3
Ian Hamer	1/1

Attendees also included:

- a. Neil Buckley (Board Member, CEO and Accounting Officer until 19 August 2019)
- b. Matthew Hill (Board Member, CEO and Accounting Officer from 20 August 2019)
- c. Holly Perry (Head of Corporate Services / from 1 January 2020 Director, Enabling Services)
- d. Nicola Galiana (HR Manager)

13. The Secretary to the Committee was the Corporate Governance Manager.

Main activities

14. The main activities of the Committee in 2019/20 included:

- a. Nomination matters:
 - i. Legal Services Consumer Panel - considering proposals regarding the appointment of one new member of the Panel to take up post in Spring 2020
 - ii. Office for Legal Complaints – considering proposals regarding the appointment of a new Chair to take up post in Spring 2020
 - iii. Legal Services Board – considering the progress made by the Ministry of Justice as regards the appointment of three new Board members to take up post in Spring 2020
 - iv. Legal Services Board – considering the progress made by Saxton Bamphlyde as regards the appointment of a new Chief Executive.
- b. Remuneration matters:
 - i. Agreeing the 2019 pay award for those colleagues within the RNC's ToR
 - ii. Considering non-pay options for improving the LSB's offer to colleagues
 - iii. Receiving the annual governance review of the LSB's pension arrangements
- c. Other executive employment matters:
 - i. Reviewing resourcing trends including turnover, wastage and vacancy rates, sickness absence, tribunal and grievance.
 - ii. Considering the outcome and action plan emerging from the 2019 all-colleague survey and colleague engagement matters, in particular in relation to the planned office move and potential implications for colleagues.
 - iii. Reviewing the LSB's colleague training programme
 - iv. Reviewing the succession plan
 - v. Reviewing the HR policies

15. The majority of these items were considered in the two formal meetings of the Committee, with a small number considered out of Committee by correspondence.

How effectively did the Committee comply with its ToR

16. The Committee concludes that it has provided both sufficient and rigorous challenge of, and where necessary, appropriate support to the executive.
17. Feedback from the executive is that the advice and challenge of the Committee is invaluable in testing emerging thinking as regards matters delegated to the executive, and in making sure a broader range of perspectives is considered. The level of interest and commitment shown by the Committee to colleagues' well-being, engagement and overall effectiveness is also valued highly.
18. The Committee has considered equality and diversity implications throughout its work.
19. All Committee meetings were quorate and attendance is referenced at paragraph 7 above.
20. Written reports of Committee meetings were submitted to the Board, supplemented as required by an update from the Chair of the Committee.

Forward look to 2020/21

21. The Committee will continue to provide challenge, oversight and support to the executive, in line with its ToR, during 2020/21.
22. We will bring an equality and diversity strategy to the next RNC meeting in July 2020. The strategy will enable us to review all our current E+D quality and diversity policies, our current practices and suggest ways to enable the LSB to be an exemplar in equality and diversity. We will also carry out the next equality and diversity survey (the last one was carried out in 2018) and use the findings as part of our strategy.
23. Consideration will be given to identifying best practice for colleague retention strategies, including consideration of themes arising from exit interviews.
24. The Committee will also continue to support the executive as it embeds actions arising from the all-colleague survey and considers how best to evaluate colleague engagement going forward.