LEGAL SERVICES BOARD

Minutes of a meeting of the Remuneration and Nomination Committee (RNC)

Date:	7 July 2021
Commencing:	10:00
Venue:	via Teams

Present: (members)	Jemima Coleman	Chair of the Committee
	Gary Kildare	
In attendance:	Matthew Hill	Chief Executive (CEO)
	Nicola Galiana	HR Manager (ex. item 12)
	Jenny Prior	Corporate Governance Manager *(minutes)* (ex. item 12)
	Holly Perry	Director, Enabling Services (ex. item 12)
	Stuart Hamill	Head, Finance and IT (ex. item 12)
	Ethan Fleming	Corporate Governance Manager (ex item 12)
Observer:	Stephen Gowland	LSB Board Member

Item 1 – Welcome and apologies

1. The Chair welcomed those present to the meeting, in particular Gary Kildare, attending his first RNC meeting and Stephen Gowland, LSB Board Member, who was observing the meeting.

2. Apologies were noted from Ian Hamer. A note of all decisions taken would be sent to Ian after the meeting for ratification. *POST MEETING NOTE: a note of the decisions was sent to Ian Hamer and ratified on 8 July 2021.*

Item 2 – Declarations of interests relevant to the business of the Committee

3. There were no declarations of interest from Committee members. It was noted that the executive had an interest in all items relating to pay and HR policies.

Items 3 – Minutes of the meeting of 4 February 2021

4. The Committee **approved** the minutes as drafted.

Item 4 – Noting of decisions taken out of committee since the last meeting

5. No decisions had been taken out of committee since the last meeting.

Item 5 – Action tracker

6. The Committee **noted** the action tracker.

Item 6 – Non-executive appointments update - **Paper (21) RNC 05**

7. The Director, Enabling Services presented the paper. The Committee's terms of reference required it to consider a variety of matters regarding non-executive appointments, including in relation to the Legal Services Board (LSB), the Legal Services Consumer Panel (LSCP) and the Office for Legal Complaints (OLC).

8. The Committee noted:
   <u>LSB Board</u>

   - The process to appoint one new non-lay Board member was in its early stages. The submission requesting clearance for the planned process had been sent up to the Lord Chancellor and the executive was expecting a response in the week commencing 12 July.
   - Diversity considerations were a key concern for the campaign and the importance of understanding what was meant by 'diverse candidates' was discussed. An outreach event was being planned for the summer, once the competition was live. The event would focus on reaching potential candidates who may not already hold non-executive roles and would provide information on the role's requirements and what to expect as an LSB Board member. There was also a possibility that LSB budget would be used for targeted advertising.
   - A meeting of the chairs of the Board, ARAC and RNC would be arranged to discuss any further mitigating actions for the executive to take forward with MoJ (**action**).
   - The executive were working closely with the MoJ appointments team on the timetable for recruitment and were conscious of the balance between extending the application window for as long as possible and ensuring that the timetable did not become too pressurised at the tail-end of the process, where there had been delays historically.
   - There were a number of Board members' terms coming to an end in 2023. The executive would work very closely with the MoJ early in the process to manage the arrangements for Board member succession as there were risks with such a high level of potential turnover. The skills audit would be used to define the criteria for the replacement members.
   - The MoJ had advised that Ministers' preference was a presumption not to re-appoint however the executive felt that this was a manageable risk as reappointments had already been made while this mandate was in place. Early business cases for reappointment would be required.

   <u>OLC</u>
   - The interview process for three new members had concluded and the report and recommendations were approved by the Board out of committee. The submission

to the Lord Chancellor had been made advising him of the proposed appointments..
- Appointment letters would be sent before the end of July and the retiring member had agreed to stay in post until the new candidates took up post.
- The candidate pool comprised good quality and diverse candidates. There was a possibility that the unsuccessful non-lay candidates could be approached to apply for the LSB Board non-lay member position. This would likely involve paying a small fee to the recruitment consultancy that ran the campaign.

LSCP

- Since the last RNC meeting there had been an unscheduled departure from the LSCP which took effect in March 2021. The recruitment for their successor was almost complete with the Panel's recommendation currently with the Lord Chancellor for approval. The executive were maintaining communication with the private office to keep momentum in the process.
- The LSCP Chair intended to recommend reappointment of all members approaching the end of their terms.

9. The Committee recommended to that the executive consider the resilience of the LSB Board against members departing unexpectedly. A risk assessment would be carried out and added to the operational risk register (**action**).

10. The Committee discussed the Somerville case and its implications. In the case, an employment tribunal ruled that a barrister who sits as a tribunal chair for the Nursing and Midwifery Council was a 'worker' and therefore entitled to holiday pay. MoJ had advised that Cabinet Office were in communication with Government departments concerning any implications for board members of arm's length bodies: Cabinet Office was of the view that public appointees were office holders and not workers or employees.

11. The Committee **noted** the schedule of appointments for the LSB Board, OLC and LSCP.

Item 7 – Performance and pay 2021 including gender pay analysis - Paper (21) RNC 06

12. The HR Manager introduced the paper, which summarised the latest position regarding the 2020/21 performance reviews and the work undertaken on gender pay analysis and equal pay analysis.

13. The Committee noted that in November 2020, the Chancellor announced a temporary pause on pay rises for most public sector workers in 2021/22. The Civil Service had confirmed that the guidance would cover ALBs. The LSB could use its discretion to move an individual's pay as long as there was a robust business case, and it that the cost could be accommodated within the overall budget envelope.

14. The executive explained that while colleagues were naturally likely to be disappointed, it was not unexpected, and the decision was the Government's rather than the LSB's. Furthermore, colleagues had access to, and were very appreciative of, the non-pay benefits offered by the LSB, especially around flexible working.

15. On gender pay analysis, the Committee noted that the LSB did not legally have to carry out this exercise and its small size meant that some distortion in the statistics (caused by staff turnover) was unavoidable. Despite this, however, the Committee agreed that it was an important exercise to carry out annually and the results should be kept in mind during as part of recruitment decisions.

16. The Committee **discussed** and **noted** the performance and pay 2021 paper.

Item 8 – Resourcing trends 2021 including themes arising from exit interviews - Paper (21) RNC 7

17. The HR Manager introduced the paper which detailed the resourcing trends and sickness absence over the last fiver years.

18. The Committee noted that turnover had remained stable over the last few years with ‘career progression’ being cited in exit interviews as the primary driver for leaving the LSB. The executive was looking to address this as far as possible with initiatives such as regular career discussions with managers.

19. The Committee noticed that sickness absence over the last year was very low, with a 62% reduction on the previous 12 months. The executive explained that while the LSB had worked hard to reduce the sickness absence rate, anecdotally, this significant decrease was due to colleagues working from home and choosing to work through minor illnesses which they perhaps would have taken as sick days had they been working in the office. This trend would be monitored. It was also noted that this was a trend being observed across many office workplaces during remote-working.

20. The Committee **discussed** and **noted** the resourcing trends 2021 paper.

Item 9 – Annual review of colleagues’ terms and conditions - **Paper (21) RNC 08**

21. The HR Manager introduced the paper which provided a summary of terms and conditions for colleagues and appointees.

22. The Committee and executive discussed the importance of building a non-consolidated pot over time. The use of ‘instant rewards’ was an important way of giving colleagues recognition for specific pieces of work.

23. The Committee **reviewed** the report and **approved** the recommendations.

Item 10 - HR policy review - Paper (21) RNC 09

24. The HR Manger introduced the paper which outlined amendments to policies since the RNC meeting held in February 2021. The only policy with significant amendments was the flexible working policy and procedure.

25. The following points were raised in discussion:
    - The updated flexible working policy demonstrated mutual trust and confidence and was intended to be both motivating and empowering.

- The LSB was uniquely positioned to make such a radical policy work. The calibre of staff, the nature of its work and the ethos of the organisation, all demonstrated over the last year, were contributing factors.
- Extreme interpretations of the policy, resulting in poor performance, would become a performance matters to be managed accordingly.
- It would be important to pilot this policy for 6-12 months before introducing it formally (**action**).

26. The Committee also noted that the executive would develop a statement on how the LSB defined respect and compassion and would position it at the top of all its employee relationship policies. This would provide a positive framing for the policies, with use of the policies such as those covering grievances and disciplinaries being positioned as the 'last resort'. Once ready for review, the statement would be shared with the Committee out of committee by correspondence. (**action**).

27. The Committee **noted** the report and **reviewed** and **agreed** the amendments to the flexible working policy.

Item 11 – Hybrid working at the LSB - Paper (21) RNC 10

28. The HR Manager presented this paper which contained a review of what the LSB had done to support colleagues during 2020/21 and the planning for hybrid working.

29. The Committee considered the update and the following points were raised in discussion:
    - The work carried out to provide colleagues with support was comprehensive and very positive.
    - The future of hybrid working would necessarily remain experimental, and it would be important to retain the flexibility to develop the approach with experience.

30. The Committee **reviewed** and **commented** on the report.

Item 12 – Senior staff resource contingency plan

31. The Committee held a discussion in private with the Chief Executive in attendance to consider the senior staff resource contingency plan.

32. The Committee **reviewed** and **commented** on the report

Item 13 – Any other business

33. There was no other business and the meeting closed.

JP 12/07/2021

Signed as an accurate record of the meeting

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Date

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