

To:	Legal Services Board		
Date of Meeting:	26 March 2019	Item:	Paper (19) 18
Title:	Annual report of the work of the RNC 2018/19		
Author / Introduced by:	Jemima Coleman, Chair of RNC		
Status:	Official		
Summary:	<p>This paper presents a report about the activities of the Remuneration and Nomination Committee (RNC) in the period 1 April 2018 to 31 March 2019, which has been approved by RNC ahead of presentation to the Board.</p> <p>This report is intended to inform the LSB's <i>Annual Report and Accounts 2018/19</i> – in particular by supporting the annual governance statement – and represents governance best practice.</p> <p>The Committee confirmed at its meeting on 5 February 2019 that the Committee's activities during the year under report provide sufficient assurance to the Board that there are 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:</p> <ul style="list-style-type: none"> • 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. <p>The current ToR are attached at Annex A. These were last reviewed as part of the 2018 Governance Manual Review – agreed by the Board on 29 November 2018.</p>		

Recommendation:
The Board is invited to note the work undertaken by RNC over the year and its contribution to the LSB's Annual Report and Accounts for 2018/19.

LEGAL SERVICES BOARD

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Annual report of the work of the RNC 2018/19

Recommendation

The Board is invited to **note** the work undertaken by RNC over the year and its contribution to the LSB's Annual Report and Accounts for 2018/19.

Background

1. 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
2. This paper is presented to the Board following approval at the RNC in February.

Overview of the Committee and its ToR

3. 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.
4. 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

5. 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.
6. The Committee met on two occasions during 2018/19: on 4 July 2018 and on 5 February 2019. As the previous Chair of the Committee, Dr Helen Phillips, was appointed Chair of the Board in June 2018, the interim Chair of RNC, Jemima Coleman took up the role of Chair of RNC from 17 July 2018 on a substantive basis. Marina Gibbs, who had been co-opted as a member at the 4 July 2018 meeting, was appointed a substantive member of RNC also from 17 July 2018.

7. The Committee membership and attendance during 2018/19 was:

Remuneration and Nomination Committee	Out of 2
Jemima Coleman	2/2
Jeremy Mayhew	2/2
* Marina Gibbs	2/2

** co-opted for the meeting held on 4 July 2018*

8. The Committee was supported in its work by an external advisor, Sandra Jenner. Attendees also included:

- a. Neil Buckley (Board Member, CEO and Accounting Officer)
- b. Rusere Shoniwa (Interim Director of Finance and Services)
- c. Holly Perry (Head of Corporate Services)
- d. Nicola Galiana (HR Manager)

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

Main activities

10. The main activities of the Committee in 2018/19 included:

- a. Nomination matters:
 - i. Legal Services Consumer Panel - considering proposals regarding the appointment of three new members of the Panel to take up post in Spring 2019
 - ii. Office for Legal Complaints – considering proposals regarding the appointment of two new members to take up post in Spring 2019
 - iii. Legal Services Board – considering the progress made by the Ministry of Justice as regards the appointment of two new Board members to take up post in Spring 2019
- b. Remuneration matters:
 - i. Considering the outcome of the performance review process and advising the CEO on the distribution of the 2018 pay award
 - ii. Agreeing the 2018 pay award for those colleagues within the RNC's ToR
 - iii. Considering non-pay options for improving the LSB's offer to colleagues
 - iv. 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 2018 colleague pulse survey and colleague engagement matters

- iii. Reviewing the LSB's colleague training programme
- iv. Reviewing the succession plan
- v. Reviewing the consolidated HR policy manual
- vi. Considering the results from the 2018 equality and diversity survey

11. 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

- 12. The Committee concludes that it has provided both sufficient and rigorous challenge of, and where necessary, appropriate support to the executive.
- 13. 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.
- 14. The Committee has considered equality and diversity implications throughout its work including a detailed review of gender pay analysis conducted by the executive.
- 15. Both Committee meetings were quorate and attendance is referenced at paragraph 7 above.
- 16. 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 2019/20

- 17. The Committee will continue to provide challenge, oversight and support to the executive, in line with its ToR, during 2019/20.
- 18. Consideration will be given to identifying best practice for colleague retention strategies, including consideration of themes arising from exit interviews.
- 19. The Committee will also continue to support the executive as it embeds actions arising from the colleague pulse survey, considers revisions to the survey questions and considers how best to evaluate colleague engagement going forward.

Conclusion

- 20. RNC is able to provide assurance to the Board that there were effective arrangements in place in relation to remuneration and nomination and other executive employment matters.