



House of Commons
Public Administration Select
Committee

**Pre-appointment
hearing for the post of
Parliamentary and
Health Service
Ombudsman**

Ninth Report of Session 2010–12

*Volume I: Report and appendices, together
with formal minutes*

Volume II: Oral evidence

*Ordered by the House of Commons
to be printed 6 July 2011*

The Public Administration Select Committee

The Public Administration Select Committee is appointed by the House of Commons to examine the reports of the Parliamentary Commissioner for Administration and the Health Service Commissioner for England, which are laid before this House, and matters in connection therewith, and to consider matters relating to the quality and standards of administration provided by civil service departments, and other matters relating to the civil service.

Current membership

Mr Bernard Jenkin MP (*Conservative, Harwich and North Essex*) (*Chair*)
Nick de Bois MP (*Conservative, Enfield North*)
Alun Cairns MP (*Conservative, Vale of Glamorgan*)
Michael Dugher MP (*Labour, Barnsley East*)
Charlie Elphicke MP (*Conservative, Dover*)
Paul Flynn MP (*Labour, Newport West*)
Robert Halfon MP (*Conservative, Harlow*)
David Heyes MP (*Labour, Ashton under Lyne*)
Kelvin Hopkins MP (*Labour, Luton North*)
Greg Mulholland MP (*Lib Dem, Leeds North West*)
Lindsay Roy MP (*Labour, Glenrothes*)

Powers

The powers of the Committee are set out in House of Commons Standing Orders, principally in SO No 146. These are available on the Internet via www.parliament.uk

Publications

The Reports and evidence of the Committee are published by The Stationery Office by Order of the House. All publications of the Committee (including press notices) are on the Internet at <http://www.parliament.uk/pasc>.

Committee staff

The current staff of the Committee are Clive Porro (Clerk), Ben Williams (Second Clerk), Alexandra Crampton (Committee Specialist), Paul Simpkin (Senior Committee Assistant) and Su Panchanathan (Committee Assistant).

Contacts

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Report

Background

1. The current Parliamentary and Health Service Ombudsman (the Ombudsman), Ann Abraham, announced her intention to retire on 8 December 2010. We would like to express our gratitude to Ms Abraham for her dedicated and exemplary service and her assistance to this Committee during her period in office.

2. On 29 June 2011 the Prime Minister wrote to inform us that Dame Julie Mellor was the preferred candidate for the post.¹ We held a pre-appointment hearing on 6 July 2011 to examine whether Dame Julie has the professional competences and personal independence necessary to perform this important role.

Selection Process

3. The current incumbent was appointed following an open competition managed by the Cabinet Office: the then Chair of this Committee was a member of the selection panel, but there was no pre-appointment hearing and the appointment was not put to the House of Commons for decision. With the announcement by Ann Abraham that she was standing down we pressed for much greater involvement by Parliament in the selection and appointment process to reflect the parliamentary nature of the post.

4. It was agreed that this time, the recruitment should be managed by the House of Commons Service, and the Chair of this Committee served as a member of the selection panel. Following the outcome of this pre-appointment hearing the Government is expected to find time to table a motion before the summer recess to allow the House of Commons to approve the appointment. We welcome this innovation as a proper reflection of Parliament's direct interest over the appointment of its Ombudsman. We commend Ministers and their officials for facilitating this change which we expect will become the norm for future Ombudsman recruitment exercises.

5. A fuller description of the selection process is in the note provided by the Chair of the selection panel.² We found this note extremely helpful in our deliberations and we encourage the Government to provide similar information to select committees in future pre-appointment hearings.

The Role

6. The Ombudsman combines the two statutory roles of Parliamentary Commissioner for Administration (the Parliamentary Ombudsman) and Health Service Commissioner for England (Health Service Ombudsman), whose powers are set out in the Parliamentary Commissioner Act 1967 and the Health Service Commissioners Act 1993 respectively.

¹ Appendix 1

² Appendix 2

7. The Ombudsman assists Parliament to hold the executive to account by considering complaints that government departments, a range of other public bodies in the UK, and the NHS in England, have not acted properly or fairly or have provided a poor service.

8. The Ombudsman currently has two strategic objectives:

- i. To provide an independent, high quality and accessible complaint handling service that rights individual wrongs; and
- ii. To drive improvements in public services and inform public policy.

The Ombudsman is responsible for handling and investigating complaints from MPs and, for the NHS, directly, for the assessment of evidence and for the decisions made in each case. The Ombudsman is solely accountable for the decisions made and in this respect the role is quasi-judicial. Decisions of the Ombudsman are subject to judicial review.

9. The Ombudsman is also responsible for the leadership, governance and management of the office and therefore for the conduct and administration of all work carried out by the staff. The Ombudsman is also the Accounting Officer.

Personal characteristics

10. The advertisement for the post sets out a number of personal characteristics which are necessary for the post holder:

- Visible and demonstrable impartiality, politically and otherwise;
- Unquestionable personal integrity;
- Comfortable in the public eye;
- Ability to think and act objectively and independently;
- Commitment to high standards of public administration and public service delivery;
- A strong sense of what is right and fair;
- Tenacious and resilient in the face of challenge;
- Ability to establish personal credibility with senior figures in Parliament, government and the National Health Service, and in the wider administrative justice community in the UK and beyond; and
- Ability to inspire confidence in Parliament, with the general public and with bodies in jurisdiction.

11. Dame Julie's CV is published at Appendix 3. The job and person specification is published at Appendix 4.

Evidence

12. During the pre-appointment hearing we questioned Dame Julie on a range of issues including:

- Her experience and suitability for the post;
- Her ability to demonstrate independence from Government;
- The Ombudsman's relationship with the Executive;
- The Ombudsman's relationship with Parliament;
- The performance of the Ombudsman's Office;
- The wider public benefit of the Ombudsman's work; and
- Handling NHS complaints.

Recommendation on appointment

13. We are satisfied that Dame Julie Mellor has both the professional competences and personal independence necessary to fulfil this role. We wish her every success as the Parliamentary and Health Service Ombudsman.

Appendix 1: Letter from the Prime Minister to Mr Bernard Jenkin MP, 29 June 2011

I am grateful to you, and to your colleagues on the Selection Panel, for the work you have done in selecting a successor to the Parliamentary and Health Service Ombudsman.

I am pleased to accept the Panel's recommendation that Dame Julie Mellor should be appointed to this post, and will arrange for a suitable motion to be tabled inviting the House to approve the appointment.

I understand that your Committee wishes to undertake a pre-appointment hearing with the recommended candidate. I hope that it will be possible to arrange this as soon as possible, so that the motion can be put to the House before the summer recess.

I am copying this letter to the Speaker, the Secretary of State for Health, the Leader of the House of Commons, and Sir Gus O'Donnell.

Appendix 2: Note on the selection process

Recruitment exercise for the new Parliamentary and Health Service Ombudsman

Note from the House of Commons Administration

Purpose

This note is to inform the Committee of the process which has been followed in selecting a candidate for appointment as Parliamentary and Health Service Ombudsman.

Recruitment process

The current incumbent (Ann Abraham) was appointed in November 2002 following open competition managed by the Cabinet Office: the then Chair of PASC was a member of the selection panel, but there was no pre-appointment hearing and the appointment was not put to the House of Commons for decision. It was agreed earlier this year that – given the parliamentary nature of the post – it would be more appropriate for the recruitment to be managed this time by the House of Commons Service, though in close co-operation with the Government (Cabinet Office and Department of Health).

Although this appointment does not come within the remit of the Commissioner for Public Appointments, it is being made using a process which takes into account the Commissioner's Code of Practice as best practice. The post was openly advertised, with an advertisement in *The Sunday Times* and notices on the Parliament and other public sector websites. We also engaged search consultants, Saxton Bampfylde, to assist with the recruitment process. The costs of the recruitment have been met by PHSO.

A copy of the pack made available to candidates (which includes a job description and the selection criteria) is attached for the Committee's information.

Applications from a total of 38 candidates were received and considered. Those applying were of a high quality and, while several had experience of the ombudsman sector, they were from a range of backgrounds. I chaired the Selection Panel, which carried out a long-list sift on 4 May, a short-list sift on 24 May and final interviews of four candidates on 6–7 June, together with Bernard Jenkin MP (Chair of PASC), Una O'Brien (Permanent Secretary, Department of Health); Professor Alice Brown (Former Scottish Public Service Ombudsman); and David Prince (external assessor).

Prior to interview, the shortlisted candidates were asked to sit a series of psychometric tests and references were collected. As a part of the interview, each candidate was asked to make a five minute presentation on the subject; "How would you take forward the office of the PHSO over the coming seven years, and what challenges would you expect to encounter?"

Recommended candidate

The candidate recommended for appointment by the selection panel is Dame Julie Mellor (Partner, PricewaterhouseCoopers, and former Chair of the Equal Opportunities Commission). The panel concluded unanimously that she had the ability and personal drive to take the PHSO forward to meet the challenges expected over the next seven years. Her CV is attached for the Committee's information.

Appointment process

The selection panel reported its findings to the Prime Minister and asked him to table a motion to allow the House of Commons to approve the appointment. The Government is expected to find time for this motion to be debated, once the Committee has conducted a pre-appointment hearing with the nominee and before the Summer recess.

The Committee may wish to publish this note, as well as the oral evidence it hears from the candidate and its conclusions on the proposed appointment, in order to inform the debate in the House.

The final part of the process will be for the Queen to make the appointment by letters patent, as provided for in the Parliamentary Commissioner Act 1967.

Philippa Helme

Principal Clerk of Select Committees

June 2011

Appendix 3: Curriculum vitae

Dame Julie Mellor, DBE

Julie has a reputation for strong leadership, including turning around failing public bodies and supporting staff teams to deliver more effectively and efficiently. She has 30 years experience of public services and business. Roles have included Chair of the Equal Opportunities Commission, where she was consistently rated among the top 25 opinion formers in the public sector, Human Resources Director for British Gas and Board Member of the National Consumer Council. Julie is a partner in pwc's health sector team. She founded pwc's innovative Forward Thinking programme which works with politicians across the political spectrum, think tanks and public sector opinion formers to contribute pwc expertise and ideas to solve big public sector challenges.

Julie's key skills include:

Strategic leadership. Particularly evidenced in her previous role where she turned round a failing public body. During her tenure the EOC was transformed from a law enforcement body and the perceived enemy of the employer, to a catalyst for change, creating innovative partnerships with business, trade unions and government to champion equality for mutual benefit. Eighty nine percent of opinion formers rated it as an effective or very effective organisation which is evidence based, authoritative and influential. Media evaluations put the EOC at the top of the league with a very high level of positive coverage.

Influencing and communicating. From raising the profile of British Gas management in the mid 1990's, to securing unprecedented Government commitment to tackle equal pay issues, Julie has always recognised the importance of identifying the links between the agendas of different groups of stakeholders. She played a pivotal role in bringing together TUC and CBI to agree new flexible work regulations in 2002.

Corporate governance. Julie has commercial experience of working with plc boards on governance issues as well as significant experience on public sector boards of improving and developing appropriate new governance arrangements: Equal Opportunities Commission, National Consumer Council and Commission for Racial Equality, Department for Business, Innovation and Skills. She advises public organisations on board effectiveness and governance.

**Non Executive
roles**

Member Public Services Lab Committee, National Endowment for Science, Technology and the Arts 2011 -

Board member, Department for Business, Innovation and Skills, 2008-2011

Board member, Green Alliance, think tank of the year 2009, 2007-2010

Chair, Equal Opportunities Commission 1999-2005

- Led board in turning around a failing organisation, transforming

it from a law enforcement body into a catalyst for change across broad remit covering service delivery in the public and private sector

- Recruited new executive to develop organisational capacity & corporate governance
- Raised profile of EOC as the external spokesperson on broad range of regulatory, law enforcement and promotional issues
- Focused the EOC on contribution of gender equality to the productivity of UK plc

Chair, Fatherhood Institute, 2004-2008 voluntary organisation supporting involved fatherhood in the interests of child welfare

Board member, Employer's Forum on Disability, 1994-2009 blue chip business membership

Board member, National Consumer Council 2001-2007

Commissioner, Commission for Racial Equality – CBI nominee 1996-2003, Chair audit committee

Chair, CBI working group on the Disability Discrimination Bill 1994

Employment July 2005 to present PricewaterhouseCoopers Partner

Partner in the health sector team where she has worked on commissioning, leadership and governance. Runs 'Forward Thinking' programme, working with think tanks and politicians to contribute pwc expertise and ideas to solve public sector challenges.

1996-1999 Julie Mellor Consultants Owner and principal

Organisation development consultancy on employment and consumer issues. Clients included LloydsTSB (then TSB), Motorola, Northern Foods, Xerox, NHS Executive, DfEE, Home Office, and Employer's Forum on Disability.

1992-1996 British Gas Corporate Human Resources Director

Responsible for Board level recruitment, management development, organisation development. Managed team of 30 professionals & budget of several million.

1989-1991 TSB Group

Human Resource Manager

1984-1989 GLC/Inner London Education Authority

Senior Employment Policy Adviser and Deputy Head of Contract

Compliance

1983-1984 London Borough of Islington

Economic Development Officer

1981-1983 Shell UK

Employee Relations Adviser

1979-1981 Cornell University Ithaca, NY, USA

Eleanor Emerson Fellow in Industrial Relations Education

**Honours &
education**

- First woman honorary fellow, Brasenose College, Oxford University
- Fellowship, City & Guilds of London Institute
- Honorary Doctorate, Anglia Polytechnic University
- Brasenose College, Oxford University, BA (Hons 2:1) Experimental Psychology

Appendix 4: Job description

ABOUT THE ORGANISATION

Role and objectives

The Parliamentary and Health Service Ombudsman's organisation (PHSO) assists Parliament to hold the executive to account by considering complaints that government departments, a range of other public bodies in the UK, and the NHS in England, have not acted properly or fairly or have provided a poor service.

PHSO has two strategic objectives;

- To provide an independent, high quality and accessible complaint handling service that rights individual wrongs.
- To drive improvements in public services and inform public policy.

Further details are given in PHSO's Three Year Strategic Plan 2010-13, which is available on www.ombudsman.org.uk.

Ombudsman's Principles

PHSO has published three sets of Principles which outline the approach public bodies should adopt when delivering good administration and customer service, and how to respond when things go wrong. They are:

- Principles of Good Administration
- Principles of Good Complaint Handling
- Principles for Remedy

Annual Report and Resource Accounts

The Ombudsman accounts to Parliament for the activities of PHSO through a statutory Annual Report. PHSO also produces Resource Accounts under arrangements agreed with HM Treasury. Both the [Annual Report](#) and the [Resource Accounts](#) are published and are available on www.ombudsman.org.uk

Accountability and governance arrangements

The Ombudsman is independent of government and has statutory responsibilities and powers to report directly to Parliament. The Ombudsman reports to Parliament annually on the general discharge of his or her functions, on the standards of service provided to complainants, and on the use of public money. The Ombudsman reports specifically from time to time on individual and/or systemic examples of maladministration.

The House of Commons Public Administration Select Committee is Parliament's principal liaison mechanism with the Ombudsman. The Ombudsman appears at least annually before the Committee to give evidence on the work of the Office.

The Ombudsman is solely responsible and accountable for the conduct and administration of all work carried out by the Office and for the decisions made in each case. Decisions of the Ombudsman may be judicially reviewed by application to the courts.

The Ombudsman is supported by staff, employed directly by PHSO, to whom he or she may delegate authority to act on his or her behalf. As the permanent head of PHSO, the Ombudsman is its Accounting Officer under arrangements agreed with HM Treasury. As Accounting Officer, the Ombudsman has responsibility for ensuring the regularity and propriety of the Office's activities and resources used, and for effective financial and internal control systems.

Governance Statement

The arrangements put in place by the current Ombudsman to support her in the leadership, governance and management of the office are set out in a Governance Statement.

They include:

- A non-statutory Advisory Board, chaired by the Ombudsman with up to four external members.
- An Audit Committee, with an external Chair and two external members in addition to the Ombudsman.
- A Pay Committee, chaired by the Ombudsman with two external members.
- An Executive Board, chaired by the Ombudsman and including the Deputy Ombudsman, the Deputy Chief Executive and the Director of Communications.

Further details are set out in the [Governance Statement](#), which is available on www.ombudsman.org.uk.

The Ombudsman and government

The relationship between the Ombudsman and government is set out in a [Statement of Responsibilities](#), which has been agreed between the Ombudsman and the Cabinet Office, HM Treasury, the Department of Health and the Ministry of Justice. It sets out the responsibilities of government in providing the necessary resources and support to the Ombudsman to ensure the effective operation of the office in accordance with the intentions of Parliament; and the responsibilities of the Ombudsman in demonstrating accountability for public money.

Office accommodation

PHSO operates from two sites, one in Millbank Tower, central London and one in The Exchange, in central Manchester.

Staffing

PHSO currently has around 450 employees. Around 115 are based in Manchester and around 335 are based in London.

An organisation chart is on www.ombudsman.org.uk.

Funding

PHSO is funded, in accordance with the administrative provisions of the Parliamentary Commissioner Act 1967 and the Health Service Commissioners Act 1993, directly from moneys provided by Parliament, subject to HM Treasury sanction.

The Ombudsman and HM Treasury have agreed their respective responsibilities in relation to these administrative provisions in relation to funding, expenditure and accounting and reporting and these are set out in detail in the Statement of Responsibilities referred to above.

PHSO's four year parliamentary funding settlement for the period 2011-15 was sanctioned by HM Treasury in October 2010. The settlement provides for annual net resources of £34.0m each year and annual capital investment funding of £0.7m. To mitigate financial risks and to provide some cover for exceptional cases, the settlement provides for access to further funding of up to £2.5m (resource) and £0.25m (capital) in total over the four year period if the need arises.

ABOUT THE ROLE

The role of Parliamentary and Health Service Ombudsman is demanding and complex and will reflect the capabilities and judgement of the incumbent.

- The Ombudsman is responsible for handling and investigating complaints from MPs and, for the NHS, directly, for the assessment of evidence and for the decisions made in each case.
- The Ombudsman has sole accountability for the decisions made and in this respect the role is quasi-judicial. Decisions of the Ombudsman are subject to Judicial review.
- The Ombudsman is responsible for the leadership, governance and management of PHSO and therefore for the conduct and administration of all work carried out by the office. The Ombudsman is PHSO's Accounting Officer under arrangements agreed with HM Treasury.
- The Ombudsman represents PHSO externally to Parliament, bodies in jurisdiction, regulators and inspectors of public services; advice and advocacy organisations; professional bodies; academia; the wider administrative justice community; and to the public.
- The Ombudsman has ex-officio responsibilities:

as a member of the Commission for Local Administration in England (the Local Government Ombudsmen scheme);

as a member of the Administrative Justice and Tribunals Council and of its Scottish and Welsh Committees.

- The Ombudsman works together with other public sector Ombudsmen in the UK, with the British and Irish Ombudsman Association and with the wider Ombudsman community in Europe and beyond, regularly representing the UK at international meetings.

PERSON SPECIFICATION

Knowledge, experience and skills

Essential

- An understanding of the Ombudsman institution, its origins, and its constitutional position in relation to Parliament, government and the courts.
- Knowledge of the principles of administrative justice and public law, of good governance and good administration and experience in their application.
- Knowledge of the workings of central and devolved government across the UK.
- Knowledge of the workings of the National Health Service in England.
- Understanding of the views of the users of public services and experience of delivering services to a diverse range of users.
- Proven leadership and management skills.
- Strong analytical, critical reasoning and judgement skills.
- Strong interpersonal, ambassadorial and negotiating skills.

Desirable

- Knowledge of the wider Ombudsman landscape in the UK, particularly the public sector schemes.
- Knowledge of the Westminster Parliament, its Committee structure and its decision making processes.
- Knowledge and experience of managing and accounting for the use of public money.

Personal characteristics

- Visible and demonstrable impartiality, politically and otherwise.
- Unquestionable personal integrity.

- Comfortable in the public eye
- Ability to think and act objectively and independently.
- Commitment to high standards of public administration and public service delivery.
- A strong sense of what is right and fair.
- Tenacious and resilient in the face of challenge.
- Ability to establish personal credibility with senior figures in Parliament, government and the National Health Service, and in the wider administrative justice community in the UK and beyond.
- Ability to inspire confidence in Parliament, with the general public and with bodies in jurisdiction.

Declarations of interests and of past or present political activities

Candidates for this role will need to demonstrate their impartiality, both in terms of any past or present political activities and/or membership of or connections with any organisations that might compromise, or be seen to compromise, their ability to act impartially, objectively and independently.

TERMS AND CONDITIONS

Appointment

The Parliamentary Commissioner for Administration and the Health Service Commissioner for England are formally appointed by Letters Patent by Her Majesty the Queen. Both appointments have always been held by the same person.

To reflect the parliamentary nature of the post and its independence from Government, the recruitment process is being led by the House of Commons, in collaboration with the Cabinet Office and the Department of Health. The recruitment panel will include the Chair of the Public Administration Select Committee and the Permanent Secretary of the Department of Health. The panel's recommendation will be put to the House of Commons for approval before the Prime Minister presents a name to Her Majesty the Queen.

The Public Administration Select Committee may wish to hold a public pre-appointment hearing before the House of Commons is asked to approve the appointment.

Term of office

The appointment will be for a fixed term of no longer than seven years. Under the legislation, this is non-renewable.

Remuneration

The salary is currently linked to that of a judge of the High Court of England and Wales.

Pension

The Ombudsman is eligible to join the Principal Civil Service Pension Scheme (PCSPS).

Security vetting

Before taking up the appointment, the candidate will be subject to security vetting.

Removal from office

The Ombudsman holds office 'during good behaviour'. He or she may be relieved of office at his or her own request, or may be removed from office by Her Majesty in consequence of addresses from both Houses of Parliament.

Formal Minutes

Wednesday 6 July 2011

Members present:

Kelvin Hopkins, in the Chair

Alun Cairns
Charlie Elphicke
Paul Flynn
Robert Halfon

David Heyes
Greg Mulholland
Lindsay Roy

In the absence of the Chair, Kelvin Hopkins was called to the Chair.

Draft Report (*Pre-appointment hearing for the post of Parliamentary and Health Service Ombudsman*), proposed by Mr Hopkins, brought up and read.

Ordered, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 13 read and agreed to.

Papers were appended to the Report as Appendices 1, 2, 3 and 4.

Resolved, That the Report be the Ninth Report of the Committee to the House.

Ordered, That Mr Hopkins make the Report to the House.

Ordered, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

[Adjourned till Wednesday 6 July 2011 at 5.00 pm]

Witness

Wednesday 6 July 2011

Page

Dame Julie Mellor, DBE

Ev 1

List of Reports from the Committee during the current Parliament

The reference number of the Government's response to each Report is printed in brackets after the HC printing number.

Session 2010–12

First Report	Who does UK National Strategy?	HC 435
Second Report	Government Responses to the Committee's Eighth and Ninth reports of Session 2009-10	HC 150
Third Report	Equitable Life	HC 485 (<i>Cm 7960</i>)
Fourth Report	Pre-appointment hearing for the dual post of First Civil Service Commissioner and Commissioner for Public Appointments	HC 601
Fifth Report	Smaller Government: Shrinking the Quango State (<i>Cm 8044</i>)	HC 537
Sixth Report	Who Does UK National Strategy? Further Report with the Government Response to the Committee's First Report of Session 2010-11	HC 713
Seventh Report	Smaller Government: What do Ministers do?	HC 530
Eighth Report	Cabinet Manual	HC 900
First Special Report	Cabinet Manual: Government Interim Response to the Committee's Eighth Report of Session 2010-12	HC 1127