LEGAL SERVICES BOARD

Meeting: Legal Services Board

Date: 26 March 2020

Item: Paper (20) 13

Title: **OLC Budget 2020/21**

Author / Introduced by: Steve Brooker/Craig Wakeford

Status: Official

Introduction

1. The OLC is required by the Legal Services Act 2007 (LSA 2007) to adopt a budget which is approved by the LSB. This paper provides an analysis of the submission made by the OLC for its proposed 2020/21 budget. It also outlines concerns about the OLC's governance and leadership in relation to the budget application.

2. The OLC's central proposition is for a total budget of £14.949m (Outturn prices), an increase of £2.603m (21%) over the current year Budget of £12.346m.

Recommendation(s)

3. In the executive's view the OLC's 2020/21 budget application does not fulfil the Budget Acceptance Criteria. The reasoning for this conclusion is distilled in paragraphs 25 to 28 below.

4. On this basis, the Board is invited to:

    - not approve the OLC's budget proposals received on 13 March
    - approve a standstill budget plus CPI inflation to ensure that the complaints scheme for consumers is maintained; and
    - remind the OLC that it can – should it wish to do so – make an in-year submission to vary the budget (any such application would be considered on its own merits at the relevant time).

Timing

5. The OLC is required to adopt a budget approved by the LSB before 1 April 2020.

Background

6. Schedule 15 to the LSA 2007 requires the OLC, before the start of each financial year, to adopt an annual budget which has been approved by the LSB. The LSA 2007 requires that the budget must include an indication of the distribution of resources deployed in the operation of the ombudsman scheme and the

amounts of income arising or expected to arise from the operation of the scheme. In addition to these statutory criteria, under the Tripartite Operating Protocol agreement between the Ministry of Justice, the LSB and the OLC, the LSB may also set budget acceptance criteria which the OLC's budget must satisfy in order to allow the LSB to approve the budget. These criteria were finalised on 22 January, see **Annex A**.

7. The budget approval process undertaken by the LSB is designed not to duplicate the work properly done by the OLC in scrutinising the basis on which the budget has been developed. Rather, the approval process is designed to provide adequate assurance to the Board of the robustness of the OLC process in formulating its budget. The acceptance criteria provide the basis for this analysis. Further, as an independent NDPB, the OLC has its own Accounting Officer and Audit and Risk Assurance Committee. It also has an independent relationship with the Ministry of Justice (MoJ) in accordance with Managing Public Money. Hence, while the LSB approves the level of the budget, it does not have ongoing responsibility in relation to in-year financial control issues (unless these cause the budget to be varied) nor in relation to the propriety of spend.

8. While the Board has been kept updated on recent developments, for reference a chronology of events is presented in **Annex B**. The key events were as follows:

   - 26 November 2019 – Board discussed the draft application, which it considered was inadequate. In particular, it did not fulfil the usual parameters of a business case in that it did not make a sufficiently clear link between the additional resources sought and the benefits to be delivered. A letter expressing these concerns was sent to the OLC Chair on 28 November 2020. The letter can be found at **Annex C**.
   - The same letter asked the OLC to provide specific additional information and encouraged continued close engagement between our respective teams to ensure that we had all the information necessary to fully consider the finalised application. However, despite our ongoing encouragement, including multiple correspondence at both executive and chair level, we were not offered any opportunity to provide substantive feedback, or engage in any meaningful discussion, in advance of papers being finalised and circulated to the OLC Board for its 4 March 2020 meeting. Those papers put forward a new proposition for a budget increase of approximately 30%, which had not previously been shared with LSB and was not part of the package on which the Legal Ombudsman had consulted.
   - Matthew Hill (in his role as Chief Excutive and Accounting Officer) wrote on 28 February 2020 to Rebecca Marsh outlining significant concerns about the substance of the proposals and offering his view that it was highly unlikely that the Board would approve the proposals made by the Legal Ombudsman to the OLC Board. The letter can be found at **Annex D**.
   - Matthew Hill attended the OLC ARAC meeting on 2 March 2020 when he spoke to the points in his 28 February 2020 letter. Matthew and David Eveleigh attended the OLC Board meeting on 4 March 2020 to observe the the budget proposals discussion; again, Matthew spoke to the points in his 28 February letter 2020. At the OLC board meeting, Matthew and

David drew attention to the facility to vary the budget in year and the desirability of taking sufficient time to address the remaining gaps in the proposals.

- Following the 4 March 2020 OLC meeting a deadline of 10 March 2020 for receipt of a further set of draft papers was agreed. However, this deadline was missed and the final application was received on 13 March 2020. This final proposal is the one under consideration in this paper, the suggested option of seeking approval for a holding budget with a view to returning at the earliest opportunity for a variation not having been pursued.

Governance and leadership issues

9. In the executive's view, a combination of features of this year's budget round have highlighted issues with governance and leadership. While the process by which the OLC have arrived at their latest budget proposal does not provide a reason for rejecting that budget of itself (if the Board was in a position to have confidence in the budget and its deliverability), it is nonetheless an important consideration: the process – including the considerable and late changes to the budget now proposed – has undermined the confidence that the LSB can have in that budget. In addition, concerns about the process thus far have tended to reduce confidence in the Legal Ombudsman's ability to deliver the benefits identified in the budget.

10. For example:

- While the latest proposals are of considerably higher technical quality than has previously been submitted to board, they introduce some significant new concepts not previously built into the models. The most significant among these is the seemingly heavy reliance on a new "fast stream resolution process" that is to be trialled this year. While we strongly support the Legal Ombudsman's efforts to find ways to change its model to meet LSA 2007 provision for a complaints scheme to resolve complaints "quickly and with minimum formality"), we simply do not have the information necessary to understand the impact of this new process and nor, given the fact that it is yet to be trialled, does the Legal Ombudsman;
- Reflecting on the process, we think that opportunities have been missed by the OLC to develop full ownership of the budget proposals developed by the Legal Ombudsman's Executive, and we have been clear with OLC in our view. We know that OLC as a board has responded in good faith to those points and as a result is now much more deeply engaged in the process than perhaps was the case;
- Similarly, the budget proposals did not receive detailed review from the OLC's ARAC, which appears to have played a limited role in the process;
- The OLC's 4 March papers contained a new headline proposal to increase the levy by 30%, which came to us without prior notification. There had been no consultation, nor was there any apparent intention to consult, on this proposal, despite circumstances when consultees had expressed considerable concern about the initial proposed increase of 19.5%;
- As the OLC acknowledges in the People Plan, there are weaknesses in leadership and change management, manifested in high levels of attrition and worrying staff survey results. The proposals describe the senior

leadership team as being "under-powered for the challenges it faces"; in fact the Legal Ombudsman is to be commended for the transparency with which it has been making similar points to us over the last several months.

11. In the LSB executive's view, the unresolved issues relating to governance and leadership should form part of the Board's consideration because they go to the level of confidence that the Board may have in the likelihood of the benefits of the increased budget being delivered. In fact, it seems highly likely that the new OLC Chair will wish to reflect on approaches to governance, leadership structures, capacity and capability as an early priority.

12. Looking forward beyond the decision on the budget application, the LSB's ARAC discussed these issues on 3 March and suggested that an internal audit of the OLC's governance should be encouraged to ensure that the OLC strengthens its systems and governance going forward. The appointment of a new OLC Chair presents the opportunity for a fresh start. As such, we suggest that the Board write to the new chair to this effect upon her appointment commencing.

The OLC's proposals

13. The OLC Chair's cover letter states that each member of her board supports the submission, which they consider is the "minimum feasible option to address the significant challenges still remaining within the organisation, stabilise the existing business and address the needs of our customers." The OLC has provided a large amount of material in support of its application, see Annex E.

14. The OLC's preferred option is Programme 1B in the pack. This is for a total budget of £14.949m (Outturn prices), an increase of £2.603m (21%) over the current year Budget of £12.346m. This to deliver c.8,200 case closures by March 2021 and achieve the Green End to End KPI by September 2021.

15. The OLC has also modelled the impact of a 5%, 10%, 15% and 30% increase.[1] Programme 1E (15%) is its 'fallback' proposition, which is for a total budget of £14.388m (Outturn prices), an increase of £2.042m over the current year budget. This to deliver c.7,850 case closures by March 2021 and achieve the Green end-to-end KPI by December 2021.

16. For convenience, the OLC's table summarising its key proposition (see page 6 of Annex E) is reproduced in the table below. In both options, the extra budget is to be primarily targeted at recruiting additional investigations staff, either phased in two tranches (Programme 1B) or done in one go (Programme 1E).

[1] The OLC models primarily refer to the impact on the levy, whereas the Board approves the total budget.

Considerations		2019/20	2020/21	Increase/ (decrease)
Demand	Incoming Contacts	110,000	110,000	-
	Incomes Cases + backlog	7,200	7,200	-
Customer Journey	No. files in PAP @31/3	2,600	1,400	(46.15%)
	Customer Journey Time - low	209	122	(41.63%)
	Customer Journey Time – Medium	249	162	(34.94%)
	Customer Journey Time - High	418	331	(20.81%)
Performance	Closures	6,500	8,204	26.22%
	Productivity per Investigator	6.5	6.8*	4.62%
	Attrition (rolling average)	22%	18%	(18.18%)
Budget	Total Budget	£12.346m	£14.949m	21.08%
	Levy	£11.240m	£13.439m	19.56%
	Operational Delivery Budget	£10.776m	£13.211m	22.60%
	Ops Delivery Establishment	188.6 FTE	228.5 FTE	21.16%

* See OLC's commentary on fast stream resolution

17. The various models show the OLC's forecasts of the impact of different levels of budget on key variables including case closures, the size of the pre-assessment pool, customer journey times etc. The models are based on certain assumptions, including stable underlying demand (7,200 cases), productivity levels (increased from 6.3 to 6.8 closures a month per investigator) and staff attrition (falling from 22% to 18% overall, and specifically in investigators from a high of 30% to 18%).

18. The application anticipates that the operational delivery budget will reduce once green state is achieved "to the level required to maintain the acceptable level of service, in line with demand". While a welcome statement of a direction of travel, this lacks specificity and relies on performance improvement being achieved.

Analysis of application against the acceptance criteria

19. The Board has always been clear in its communications with the OLC that the OLC should have access to the resources it needs to do its job effectively. That extends to support for funding increases where the case is made out clearly. In this context, if the OLC's modelling is accurate, we note that a small increase in the budget is unlikely to make a material difference to improving operational performance. Further, an insufficient level of budget risks further deterioration in performance with consequent impacts on consumer protection and public confidence.

20. The LSB executive recognises the seriousness of these considerations and has weighed them carefully when reaching its recommendations as set out below.

21. The key issue is whether a sufficiently compelling business case has been made, which sets out the justification for any increases and a sufficiently coherent case that the identified benefits will actually follow on from them. This is necessary to justify an additional investment of the magnitude being requested.

And, linked to this, whether the Board has confidence in the leadership to deliver the performance outputs that are suggested. The burden on the OLC to provide such a justification is particularly significant when the OLC is seeking substantial funding increases.

22. There are a number of aspects of the application that are welcome and show evidence of the OLC responding to feedback on the draft application, including:

- A greater openness and candour about the issues the organisation is currently facing e.g. figures provided on attrition, references to the recent People Survey results and referring to leadership weaknesses;
- Significant additional detail linking the additional resources sought to the expected benefits. Overall, we consider that the targets for reduction in the pre-assessment pool and improvement of customer journey times are appropriate at this point in time given the current starting point;
- Inclusion of an end-to-end KPI that includes time in the pre-assessment pool and which thus better reflects the lived customer journey;
- Willingness to explore alternative delivery models capable of reducing customer journey times, including the Fast Stream Resolution trial;
- Increased investment in feeding back to the profession (under Programme 1B, £495k representing 3.3% of the budget compared to £317k and 2.5% in 2019/20. Although this may still not deliver on the scale of the Board's ambitions in this area, it represents a step in the right direction; and
- The section on equalities has been strengthened.

23. Even so, we continue to have significant concerns with the application, which we invite the Board to probe with the OLC when they present their application. These concerns primarily relate to the first (performance) and third (risk) budget acceptance criteria. We consider that many of the concerns set out in our letter of 28 February 2020 have not yet been satisfactorily addressed in the final documents. Further, some of the additional information provided raises new concerns.

- As relevant context, while performance improved over the summer, it has deteriorated since October and the OLC acknowledges this is more than a blip. The OLC is currently working to an existing roadmap to improve performance, by reference to the existing budget provision. This is against the backdrop of continued underperformance over a period of many years. Aspects of the current performance picture, eg size of the pre-assessment pool, have fallen well short of targets in earlier versions of the roadmap. Further, new analysis of the Advice and Support function has revealed the size of the backlog is far larger than previously anticipated. Seen together with other factors, particularly levels of attrition among investigators, and the governance and leadership concerns set out above, this continues to create credibility issues and does not give us confidence that the revised roadmap targets will be met;
- Appendix B9 of the OLC's application sets out plans for transformation, including exploration of artificial intelligence and ADR. However, there

remains a resistance to the notion that investigation times can be improved and ongoing reluctance to embrace transformational change, which OLC considers propose a “significant risk to in year delivery”[2];
- A lot of the promised performance improvement hinges on the success of the new Fast Stream Resolution trial. For example, it is forecast to deliver over 1,000 case closures annually delivered by 15 FTE staff. While this is a welcome development in theory, the model is unproven and there are few details in the documentation about how it will work in practice. It is also important to note that this was introduced as a new approach in the latest version of the budget, very late in the process. The executive has serious concerns about the ability of the OLC to deliver this programme in a manner that secures the outcomes set out in the budget;
- The sensitivity analysis tables on pages 11-12 are useful to see the factors which, if change, could have an impact on achievement of targets. However, there seems to be no contingency for any one of these factors to vary by 5% or more without leading to the plan missing its target;
- While the proposals are presented as having been significantly ‘de-risked’ it is acknowledged in the OLC’s risk registers that the pace and scale of the increase in staff means that both options appear to carry significant risk, even after mitigation. The new modelling assumes that levels of attrition among investigators will reduce from a high of 30% to 18% by October 2020; this is ambitious given the historical picture. More widely, while the People Plan is welcome, it is pitched at a high level; the Board may wish to probe whether a detailed delivery plan sits behind it;
- OLC is assuming that it takes new recruits 6 months to gather a full caseholding and 12 months to ramp up fully to expected levels of productivity. In our view, this underlines the importance of focusing efforts on reducing attrition, although we note the OLC’s modelling suggests that even a major reduction in attrition would have a fairly modest impact on customer journey times (see sensitivity analysis on page 11).

24. The OLC has provided a detailed synopsis of stakeholder feedback (page 20 onwards in Annex E).[3] The verbatim comments indicate strong opposition from the main levy payers plus the CLC, with qualified support from some others. This is not surprising given the significant increase in budget that was consulted on. Stakeholder support is not a necessary pre-condition for LSB to approve the budget, but it is a relevant factor that the Board should take into account. Moreover, it underlines the importance of a compelling business case where any increases are justified in terms of the benefits that will follow. Linked to this, whatever decision the Board makes on the budget, we will need to ensure there is clear visibility for stakeholders of OLC’s progress in delivering against its plan.

25. Taken as a whole, the application represents an improvement on the draft application which the Board considered in November. In particular, there is stronger visibility and candour about the scale of the challenge that is faced.

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[2] See the Q&A document in the pack.

[3] The budget acceptance criteria state that the submission should cover the outcome of discussions with MoJ and the extent to which the final budget takes account of MoJ input. However, there has been close dialogue with MoJ throughout the process and LSB executives have received direct feedback from the MoJ.

Further, the roadmap contains appropriate targets for the reducing the size of the pre-assessment pool and improving customer journey times given the current starting point.

26. However, there remain issues with the credibility of the plan, as follows:

- The budget is inadequately evidenced and does not make out a sufficient case that the increases asked for will lead to the improvements in performance modelled within it
- The budget has been subject to late and significant amendment, for example the advent of the Fast Stream Resolution trial. Those late changes have undermined the confidence that the Board has in the budget, in particular because the late changes themselves form a crucial part of the proposed improved performance;
- There has been a historical pattern of failure to meet the existing performance targets, agreed by reference to previous budgets (including the current budget). This causes the executive to lack sufficient confidence in the OLC's ability to deliver on the targets set out in the draft budget.

27. Each of these factors provides a sufficient basis – on their own – for not approving the proposed budget. Furthermore, each of the conclusions set out above is reinforced by the evidence that there is a weak culture in terms of leadership, change management, systems and governance at the OLC.

28. The LSB is open to budget increases, where those increases are well-evidenced, robustly supported and adequately evidenced. The executive wants to see a performance improvement and recognises that budget increases may well be necessary to support that. However, weighing everything in the balance, the executive's view is that the current budget proposal should not be accepted.

Next steps

29. The Board's decision notice, incorporating any comments of wider reflection, should be provided to the OLC as soon as possible after the meeting. The OLC is required to adopt a budget approved by the LSB by 1 April 2020.

30. The MOJ/LSB/OLC tripartite operating protocol is due for review in the summer, while the existing LSB/OLC memorandum of understanding has expired. These reviews offer opportunities to make changes to the budget application process.

Annexes

Annex A: Final Budget acceptance criteria
Annex B: Timeline of correspondence
Annex C: 28 November 2019 letter
Annex D: 28 February 2020 letter
Annex E: OLC's 2020/21 Budget papers

Risks and mitigations	
Financial:	OLC is required to comply with Managing Public Money requirements. The MoJ is responsible for financial oversight in year.
Legal:	[redacted]
Reputational:	OLC has seen increased stakeholder focus on its performance failings and levy payers have been critical of the proposed budget increase. Equally, LSB could be criticised if the performance picture does not improve, or even deteriorates, by denying the OLC the resources need to improve performance.
Resource:	N/A

Freedom of Information Act 2000 (FoI)		
Para ref	**FoI exemption and summary**	**Expires**
Annex E – pages 50-60	S36 – the pages refer to consultation responses which some consultees have chosen not to put into the public domain	N/A
Risk and mitigations: Legal	Section 42: subject to legal professional privilege	

Annex A: Final OLC Budget Acceptance Criteria

1. Transparency about performance, this should include:

    a. Analysis of actual performance to date against KPIs in the balanced scorecard in 2019/20

    b. As per the next version of the roadmap to green, the forecast performance trajectory on targets and performance, by month, at each stage of the process, from the present until sustainable acceptable performance has been achieved (to include, but not limited to, the size of the "pre-assessment pool" and timeliness KPIs).

    c. Key actions and timeframes for delivery of the roadmap

    d. Risks and how they are being managed and mitigated for 2019/20, particularly on how the quality of decisions is being safeguarded and monitored when targets are being considered

    e. A business case that clearly links any additional resources sought to the expected benefits including the impact on the roadmap if the budget were to be increased by smaller amounts.

2. In accordance with Schedule 15 s23(3) of the Act, an indication of the amount and distribution of resources deployed in the operation of the ombudsman scheme and the amounts of income OLC expect to arise from the operation of the scheme. This should include a clear breakdown of:

    a. staff costs and numbers broken down by function – for instance: enquiries; investigations; ombudsman team; corporate, others

    b. explanation and justification of assumptions around the volumes predicted for the year, including data on the number of new cases in the current year to date. Please include information about how the organisation would respond (including in terms of its resourcing strategy in the climate of recruitment and spend controls) in the event of volume fluctuation.

3. A summary of the key risks to delivering the Plan for 2020/21 and mitigation proposed, to include confirmation that sensitivity analysis of key assumptions has been carried out (although the full numerical details of the analysis are not required) around:

    a. any possible variation around the income prediction, for example (but not limited to) due to changes in volume (up or down), or if changes to the case fee structure are introduced in-year; and

    b. the impact of variations in anticipated levels of case complexity.

4. A summary of where the budget has changed in response to stakeholder responses to consultation and a summary of any responses to that consultation. In

particular, the submission should cover the outcome of discussions with MoJ and the extent to which the final budget takes account of MoJ's input.

5. An explanation of how the budget application supports delivery of the OLC's Public Sector Equality Duty.

6. The estimated split of expenditure between:
    a. handling complaints about legal services
    b. work to analyse and feed back to the sector learnings from handling complaints – please explain and justify this figure
    c. anything else not covered by (a) and (b).

Annex B: Timeline of correspondence

Date	Letter	Content
28 Nov 19	Helen Phillips to Wanda Goldwag	Description of the Board's concerns about the draft application following discussion at the 26 November meeting
6 Dec 19	Chris Nichols to Brendan Arnold	Reminder for need of prompt submission after 4 March OLC Board and invitation to work closely
17 Jan 20	Brendan Arnold to Helen Phillips	Response to Helen's 28.11.19 letter with assurance that information sought by LSB is forthcoming and confirmation that the Budget has the support of the OLC Board
20 Jan 20	Wanda Goldwag to Helen Phillips	Advising that officials are preparing information in advance of the consideration by LSB on 27 March
27 Jan 20	Helen Phillips to Wanda Goldwag	Expressing concern about the lack of substantive response to the 28.11.19 letter
30 Jan 20	Wanda Goldwag to Helen Phillips	Response to 27.1.20 letter, advising management information will be available by 4 March
7 Feb 20	Helen Phillips to Wanda Goldwag	Requesting closer engagement by officials so feedback can be provided to help formulate OLC Budget and enquiring about role of OLC ARAC in the process
10 Feb 20	Wanda Goldwag to Helen Phillips	Response to 7.2.20 letter, highlighting planned 3hr briefing meeting for officials
28 Feb 20	Matthew Hill to Rebecca Marsh	Outlining areas of concern relating to the budget that remain, indicating LSB exec are minded to recommend refusal
2 Mar 20	Wanda Goldwag to Matthew Hill	Response to letter of 28 Feb advising of a HR matter and that executive is working to gather the information requested
13 Mar 20	Wanda Goldwag to Helen Phillips	Cover letter to accompany the final budget submission

Sent by email only

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28 November 2019

Dear Wanda

OLC budget application for 2020-21

Thank you for submitting the 2020/2021 Budget Principles paper, which the Board reviewed carefully at its meeting on 26 November. I am writing now to provide initial feedback so this can be shared with your Board at its meeting on 28 November. Executive colleagues will write to confirm the finalised acceptance criteria in due course.

I should start by repeating the sentiments expressed by David and Matthew at your board meeting in October, and by us all at our recent board to board discussion with you, namely that the LSB has a strong interest, and indeed stake, in OLC's success. You will find no stronger supporter than us, once persuaded to the case.

This support will be particularly important as you seek to build consensus around what is by any measure a significant increase in funding for OLC. As I and colleagues have made consistently clear, OLC should have access to the resources it needs to do its job effectively. That extends to support for funding increases where the case is made out clearly, and in a way that enables us to help you persuade others that it is justified and will deliver identified benefits.

With that in mind, I have to report that the Board did not consider that the material we have received does in fact enable us to offer the support that would be required. I summarise below the areas in which we considered further explanation to be required:

- The paper does not fulfil the usual parameters of a business case in that it does not make a sufficiently clear link between the additional resources sought and the benefits to be delivered. This is a matter that will need to be addressed not just to satisfy the LSB but also, in all likelihood, to persuade others with a stake in the decision as to its merits. In addition, it would help contextualise the proposition by providing information to help understand the impact on the road map if the budget were to be increased by smaller amounts (such as 5% and 10%).

- In order to test assumptions on case volumes, I would be grateful if you could ask executive colleagues to provide data on how many new files have been created in the pre-assessment pool for the first six months of the financial year.

- The Board noted the proposed additional investment in staffing resource to support activity on extracting and disseminating intelligence and learning to the professions with a view to raising standards and preventing disputes. However, we did not consider the proposals to capture the ambition in this area that we and others would like to see (and indeed that might considerably strengthen wider support for increased resources). I know the OLC will be discussing this subject on 28 November and we look forward to seeing the outcome of these discussions reflected in the finalised application.

- In a similar vein, the Board did not gain a sense from the paper of a real focus on more transformational process changes that might take place in the future. I should add by way of contextual example that the Board had been made aware of OLC's intentions in relation to the mediation pilots.

- While supporting the plan to focus resources on the pre-assessment pool at present, the Board challenged the view that further efficiencies cannot be achieved at the investigations stage, particularly for medium and high complexity cases. In addition, the references in the document to the highest possible standards of quality raised a question in the Board's mind as to whether, for at least some cases, this bar might be set too high.

- While not directly related to the budget consideration, the Board was clear that an end-to-end KPI should start when the customer first contacts your service. It should be possible to separate those initial enquiries that lead to investigations from those which do not. We recognise that this may not be possible until you have modelled the current picture from the Advice, Support, Feedback and Guidance (AGFS) stage, which we see as a priority. However, it will not be possible for us to have full confidence in the road map to green until we all understand what is happening at the AGFS stage and how this impacts on the end-to-end journey.

- The Board was concerned about the high ongoing rate of staff attrition and the view that this is unlikely to change. As the new Quality and Feedback Model beds in, there is sustainable performance improvement, and as a result of initiatives to improve colleague engagement, the Board's expectation is that attrition will reduce.

The Board also wished to understand better the governance processes that had been applied to the application (and will be applied to future versions); for example, whether it had received detailed review from ARAC and whether it enjoyed the support of the whole Board. It would be helpful to have a clear understanding of the governance processes to be applied to the final proposals before they come to us in March for a decision.

Looking forward, I would encourage continued close engagement between our respective teams to ensure that we have all the information necessary to fully consider the finalised application.

Finally, I should say again that the purpose of providing this feedback is not to create hurdles or to second-guess for the sake of it. It is to help us generate the necessary confidence in the proposals that will enable us to support, and indeed defend, them with key partners – principally the Department – and stakeholders more widely.

Yours sincerely,

Helen Phillips

Dr Helen Phillips
Chair

Annex D

LEGAL SERVICES
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Rebecca Marsh
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28 February 2020

Dear Rebecca,

LeO proposals to OLC in relation to the 2020/21 budget

As we have discussed previously, the LSB has a strong interest and stake in the OLC's success. We are committed to supporting the OLC and communicating as clearly and as fully as we can about our expectations of the OLC, in order to facilitate a clear and constructive dialogue between us. The Board is due to consider the OLC's proposed budget on 26 March. With that in mind, I am writing to provide feedback on the paperwork we received on the evening of Tuesday 25 February. This is with the intention of supporting OLC to submit a final proposed budget that is likely to secure the support of the LSB.

You are aware of the concerns that our Board had when we considered the budget principles paper in November 2019. These were set out in Helen's letter of 28 November to the Chair of the OLC. As set out in that letter, our position is that the OLC should have access to the resources that it needs to do its job effectively. Consistent with that position, the LSB will always carefully consider funding increases proposed by the OLC. However, any such funding increases must be supported by a clear and well-articulated business case, which sets out the justification for any increases and the benefits that will follow from them. The burden on the OLC to provide such a justification is particularly significant when the OLC is seeking substantial funding increases (such as those set out in the November budget principles paper). It is necessary for the OLC to make that case so that we can take a proper and informed view of the need for increases and also to enable us to work together with the OLC to persuade others (in particular levy payers) that the increases are justified and would deliver identified benefits.

Our letter of 28 November 2019 set out a range of areas in which we considered the draft proposals put to it in November fell short against those expectations. In addition, given the significance of the Board's concerns, the letter also conveyed its encouragement to OLC to continue to engage closely with the LSB, in advance of the forthcoming year end, to ensure that the developing proposals could meet those expectations.
Having not received any substantive information or engagement since that letter, Helen wrote again on 7 February 2020 to restate the encouragement to work with us, and to reiterate the offer for us to review and provide feedback on draft materials, in order to make the best use of the limited time available to refine our shared thinking in advance of the two Board meetings in March.

In the light of the above, I am disappointed that we were not offered any opportunity to provide substantive feedback, or engage in any meaningful discussion, in advance of papers being finalised and circulated to your Board.

I have now had an opportunity to review the documents provided by the LeO Executive to the OLC Board. In a spirit of cooperation, and in order to provide the OLC with the best possible opportunity to propose a draft budget to the LSB that will gain the support of the Board, I am writing to set out my views. For the avoidance of doubt, I am writing in my capacity as the Accounting Officer and Chief Executive of the LSB. My views are not those of the Board itself and I do not pretend to anticipate the conclusions that the Board as a whole might reach. That said, I am confident that the views set out below reflect at least some of the concerns and the likely views of the Board. In short, I trust that this letter will assist you, whether solicited or not. Helen, who has seen this letter, has requested that a copy is sent to the Board of the OLC so that it has the opportunity to consider it at its meeting on 4 March 2020. I would also request that a copy is sent to all ARAC members in advance of its consideration of the budget on 2 March 2020.

I should add for completeness that David Eveleigh and I have been invited to attend the OLC Board meeting on 4 March as observers, and I am happy to discuss my views if invited to do so. I am also scheduled to attend OLC's ARAC meeting on 2 March and, again, would be happy to contribute with permission of the committee Chair.

The Legal Services Act 2007 imposes an obligation on the OLC to adopt, before the end of the financial year, a budget that has been approved by the LSB. It does not oblige the LSB to approve any draft budget that is put to it. It follows that the OLC should take all reasonable steps to submit budget proposals that are capable of being approved by the LSB.

As set out above, I do not pretend to predetermine the views of the Board. However, I also want to make clear that it is my opinion that neither of the two proposals set out in the papers I have seen are likely to be approved by my Board. Let me explain why.

As I have already set out above, while a good business case is important to support any credible bid for resources (even a bid that does not involve any increase in resources), the greater any proposed increase in funding, the more compelling the business case in support of that bid should be. That is particularly the case in circumstances like these where ultimately those resources are drawn from third parties who have no choice but to pay. We owe it to the businesses and individuals who fund the OLC to ensure that there is a clear case for asking them to pay more, and that the justification for any increases is clear and adequately evidenced.

The two proposals set out in LeO's recommendations to the OLC both involve very significant increases in resources.

It is important that you understand that, in my view, the LSB's budget acceptance criteria, and the clarificatory suggestions set out in Helen's letter of 28 November 2019, intended to assist LeO in further developing proposals that would ultimately be capable of approval by the LSB, have been only partly adopted. I am concerned, for example, that you have not adopted our suggestion that it would help contextualise the proposition to model the impact on the road map if the budget were to be increased by smaller amounts (such as 5% and 10%).

I also have significant concerns about the substance of the proposals, as follows:

- I share your desire to develop a roadmap that is achievable. It is clearly in all of our interests to have an agreed roadmap that charts a clear path to an acceptable customer experience and which we can use as the basis for our ongoing oversight of performance. However, I am concerned that the process of "de-risking" – the term used in the LeO papers – effectively incorporates into the baseline levels of performance that LeO itself has previously seen to be unacceptable, and which fall short of targets that OLC has recently set itself. For example, we understand that the plan is based on an assumption of ongoing staff attrition well above your KPI of 18% and also that the expectation for productivity of each investigator has been significantly scaled back from the targets from the November version of the roadmap. I am, therefore, concerned that the proposed increases in budget could be seen to "bake in" ongoing underperformance.

- Put another way, given the scale of the proposed increases in budget, the proposed output in terms of performance is disappointing and is considerably less ambitious than your own assessment of what you could achieve only a few weeks ago. This raises serious doubts about the credibility of the current roadmap and whether it represents good value for money. Last year, in September and October, we were being assured that the targets in the initial roadmap would be met and that performance was on a steadily increasing trajectory. Similarly, the November version of the roadmap, which accompanied the budget principles paper that our Board reviewed, contained robust projections for productivity, closures and reductions in the Pre-Assessment Pool. The latest version of the roadmap has moved away from these targets, replacing them with lower targets and slower progress in improving the customer journey. The definition of what the end "green" state would look like has also changed since the November version of the roadmap. In those circumstances, it is incumbent on LeO to provide a clear and compelling explanation for why both the trajectory of improvement and the final "green" state have been altered, while simultaneously seeking very considerable increases in funding. I do not consider that the current papers – provided to the OLC Board – meet that requirement.

- Whilst the proposals are presented as having been significantly "de-risked", it is apparent from the risk registers that the pace and scale of the increase in staff means that both options appear to carry significant risk, even after mitigation. Therefore, even with the scale of increase proposed, there would appear to be a significant risk of the targets being missed. This raises further credibility concerns.

- We also note that you have not reflected in the paperwork any meaningful consideration of the submissions received on the budget consultation, other than to provide a summary table of the respondents and whether or not they broadly supported your proposals. Your proposal does not deal adequately with those responses and does not appear to adequately address some of the concerns that were raised.

Finally, you have not consulted on the new proposal that appears in the paper to increase resources by 30.10%. Whatever the merits, or otherwise, of the proposals, this is a significant point. Those who pay the levies have not been offered an opportunity to engage with what I understand to be your headline proposal. That is particularly important when it represents a further, and considerable, increase above and beyond what you consulted on and in circumstances where I understand that consultees expressed considerable concern about your initial proposed increases of 19.5%. In my view, there is a real risk that, were your proposed budget to be adopted, that would undermine confidence in, and support for, both LeO and the OLC. If that occurs, it will make it even harder to deliver the important role carried out by LeO in providing public redress.

I understand that similar points were conveyed by LSB and MoJ colleagues when they met with Brendan Arnold and Mariette Hughes on Wednesday 26 February.

Summarising the above, while my Board may feel otherwise, my opinion is that it is highly unlikely to approve the proposals made by LeO to the OLC Board. In the spirit of collaboration and cooperation of business, I recommend that you:

a. begin work to prepare a further, alternative, budget proposal that contains a stronger and more compelling business case and also proposes alternative increases that are considerably smaller than those current proposed (for example 5% and 10%). I trust and hope that time is not too short to carry out that work. I have written to you as a matter of urgency in order to provide you with as much time as possible.

b. do not take any further steps, in terms of incurring costs or liabilities, on the presumption that the budget will be approved.

c. begin preparations for any contingency planning that might be necessary should the LSB not provide approval.

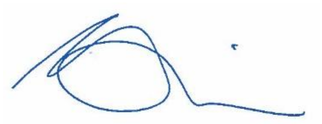
In closing, I wish to make three points.

First, as you are no doubt aware, in circumstances where no adequate budget has been proposed to it by the OLC, the Board ultimately has the power to approve a budget of its own design that it considers to be proper and reasonable. LSB has no desire or intention to take this step and wishes to avoid having to do so if at all possible.

Second, as you are also aware, the Act contains a facility for the OLC to seek permission to vary its budget in-year. As it is required to do, the LSB will always consider applications from the OLC to vary its budget on a proper and lawful basis. If – as I hope will not be necessary – the LSB adopts a budget not proposed to it by the OLC, the OLC can, should it wish to do so, apply to the LSB for a variation of that budget, at a later date. As I have already set out above, the LSB trusts that this will not be necessary. Any such application will be considered on its own merit.

Third, I wish to reiterate that the LSB stands ready and willing – as it has always been - to assist the OLC in any way possible. We are particularly keen to ensure a productive dialogue between the two bodies, in order to avoid a scenario where the LSB is unable or unwilling to approve a budget proposed to it by the OLC.

Yours sincerely



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13 March 2020

Dear Helen

I enclose our budget submission for consideration by the LSB at its meeting on 26th March.

I would confirm that my Board and I have considered this today and that each member supports the proposals contained within the submission.

It is our view that this is the minimum feasible option to address the significant challenges still remaining within the organisation, stabilise the existing business and address the needs of our customers. We believe this balances the scale of ambition to address the customer need, with an appropriate level of risk.

My Board wish me to share their view that anything less would not only fail to deliver an acceptable level of performance, but would increase the risks of continuing attrition and poor morale.

The key underpinning documents include our People Plan, which will form a significant component of the oversight for the coming year and for which the executive will be closely held to account. I would assure you that it is a dynamic document as you would expect, but that the Board's Remuneration Committee is confident that it covers the issues that the organisation needs to address.

Finally, I should make clear that this plan does not seek to anticipate the impact of the upcoming public health crisis.

I understand that you may wish to have OLC Members present to address any issues arising at the Board and we will liaise with your officers to ensure that happens.

Your sincerley

Wanda Goldwag
Chair, Office for Legal Complaints

Legal Ombudsman 2020/21 – Q & A

Process, demand and wait times

What is the current and anticipated demand for LeO's service?

- Demand for LeO's services falls into two main categories; demand at the front end for advice and support (see Q &A on front end for more details), then demand for investigation and resolution.

- Historically, the first was consistently or effectively captured and the second has been measured as those cases accepted for investigation and therefore the added value assessment stage of the process has been lost.

- Current demand at the front end of the service is around 110,000 contacts over the year.

- Incoming cases for 19/20 are around 7,200, which is consistent with the historic long term profile.

- New files arising in year to be entered into the Pre-Assessment Pool for formal assessment and investigation for 2020/21 is anticipated to be fairly steady at 7,200.

- The balance of closures forecast for next year arises from the reduction in the existing pre-assessment pool (see Q & A on backlogs for further details).

- Case complexity remains steady at 68% low complexity, 31% medium, 1% high.

What happens if demand changes?

- Incoming demand is expected to remain fairly steady in line with demand for our service this year.

- Should demand for our service rise significantly in year, it is likely that delivery of the End to End KPI would need to be re-profiled to take account of this. This process would be transparent and would be carried out in collaboration with stakeholders.

- Should demand for our service drop significantly in year, it is likely that the End to End KPI would be achieved sooner, and this would be factored into forecasting, planning and budget requirements for the following financial year.

- We carry out monthly horizon scans which alert us to any emerging issues which have the potential to affect demand for our services.

- Due to the nature of legal complaints and the fact that any issues which arise must be taken through a first tier process before coming to us, we have a fairly significant lead in time before changes in the wider sector tend to affect our demand profile.

- The improvements made to our front end mean that we now have much better visibility of new incoming work and will be able to closely monitor incoming demand and plan accordingly for any variations.

What happens at the front end – what process do incoming files go through?

- New contacts are processed by the General Enquiries Team and are either:
    - signposted to appropriate organisations;
    - advised, for example, that their matter is premature and given appropriate support to make a complaint at first tier, or
    - directed and/or supported to fill in the complaint form and provide necessary supporting documentation, including final complaint correspondence from first tier.

- Creation of files and collection of relevant information has historically been manually intensive, this will be reduced following the work completed in 19/20, freeing GET resource for added value work and increasing the speed of file creation.

- Complainants then return with their documentation, and GET staff either:
    - Advise that there is documentation missing or further information required, or
    - Triage the file and pass it into the Pre-Assessment Pool if it is ready to be fully assessed and potentially investigated.

- The recent review has shown that historically, the majority of new files require at least two significant contacts before returning with necessary minimum documentation, and the length of time between customer contacts has been highly variable.

- The Customer Assessment Tool has had an impact on this, improving the readiness of people to engage with our service, but they still end up engaging at the front end multiple times.

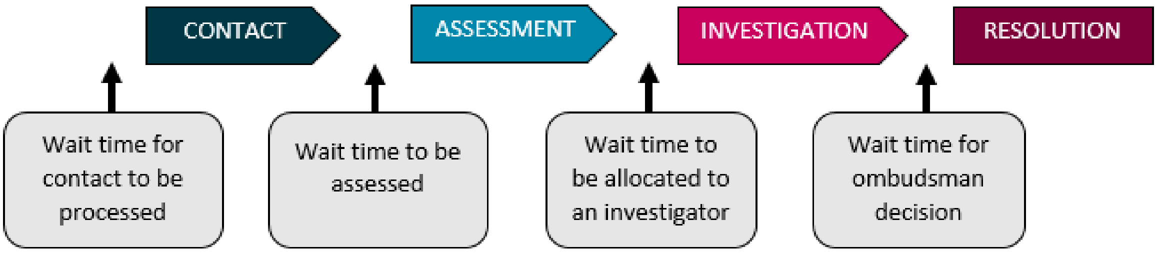
- With the increased resource in GET able to provide more in depth advice and support at initial contact, these multiple engagements will be significantly reduced and in some instances removed (see Q & A on backlog).

- Cases are taken from the Pre-Assessment Pool by investigators, who then complete a formal assessment and advise the parties whether the complaint falls within our jurisdiction and whether it will be investigated. The added value work at GET ensures that it is now more likely than not that fully assessed files will be ac cepted f or i nvestigation and t hat peopl e ar e not w aiting f or l ong periods to find that we cannot help.

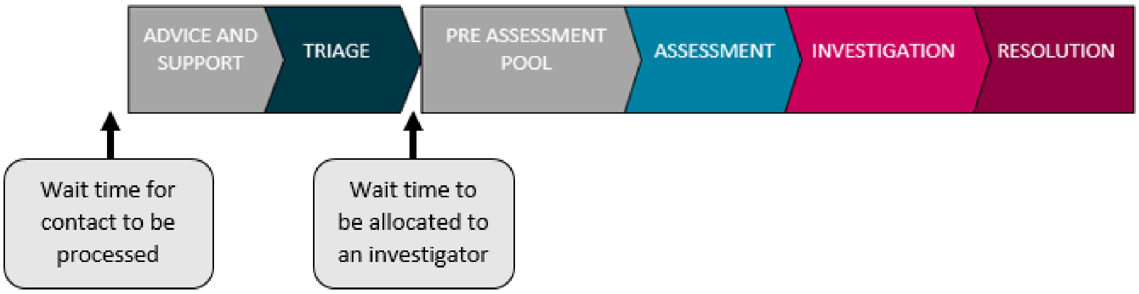
Can the current investigation time be improved?

- Following the Modernising LeO programme, significant improvements in the investigation time have already been achieved.

  - Our historic business process had a number of handover stages which meant that cases were picked up and put down frequently – people would experience delays at the initial contact stage, while waiting for an assessment, waiting for an investigator, and waiting for an ombudsman decision.



  - The improvements delivered over the last few years have eliminated some of the handovers and eliminated the wait between assessment and investigation, and the wait for an ombudsman decision.



  - The investigation process has been completely reviewed and all significant available efficiencies maximised. It is not anticipated that further material reductions can be made to the investigation time without a fundamental change to process, potentially involving legal or scheme rule changes.

  - The few other potential waiting points within LeO's process are merely handover levels of work – for example from request for final ombudsman decision to the request being picked up for the majority of cases is usually no a few days. Constant monitoring and complete visibility ensures flow at these points is vigorously monitored.

- LeO intends to look at potential alternative models for case handling such as fast stream resolution, and we would also wish to revisit mediation following the learning from the previous pilot to see whether it could be adopted to add value.

- Any further process changes require investment and would impact on staff morale and stability, as well as diverting delivery resource and are therefore considered to propose a significant risk to in year delivery.

Why do ombudsman schemes have back logs – is it due to “gold plating” decisions?

- In all ombudsman work, there is the potential for wait times and queues to build up. This is due to the nature of a demand-led service, unpredictability of case work mix, variability of response times from customers, challenges throughout the process from providers and fluctuations in flow of work, along with the number of handovers required throughout the process.

- Small changes in timing of cases arriving or being processed at the front end can have significant impacts further down the process and this is seen across all ombudsman schemes. This frequently relates to an inability to flex resourcing levels (due to fixed budgets and establishments) compared to volumes and the profile of, and interaction with, customers month on month at the front end. Similar challenges are seen across public services in demand profile, as opposed to annual volumes.

- Best practice therefore is to have a minimal number of handover points, no waits once accepted and a highly flexible and responsive resource to manage incoming contacts and respond quickly in order to smooth peaks in demand.

- LeO is committed to conducting investigations quickly and with the minimum formality necessary, whilst at the same time ensuring robustness and fairness in decision making. The depth and quality of decision making do not materially increase the likelihood of backlogs arising.

- High quality, well communicated decisions are more likely to be efficient than low quality decisions, as they will be focused, to the point, succinct, accepted by the parties and not require re-work.

What backlogs does LeO have and how did they arise?

- LeO now has a single backlog within its service, which is the wait for assessment. This has arisen as a result of changes designed to deliver improvements to the service being provided by the General Enquiries Team.

- Additional resource into the General Enquiries Team allowed us to fast track the people contacting us at the front end and get their files ready for investigation more quickly. More time to advise and support means people are ready for us sooner.

- As a result of this improvement, we have over the last three months been able to bring forward work which ordinarily would have arrived 2 to 3 months later. This is not an increase in demand, but a shift forwards of the demand profile.

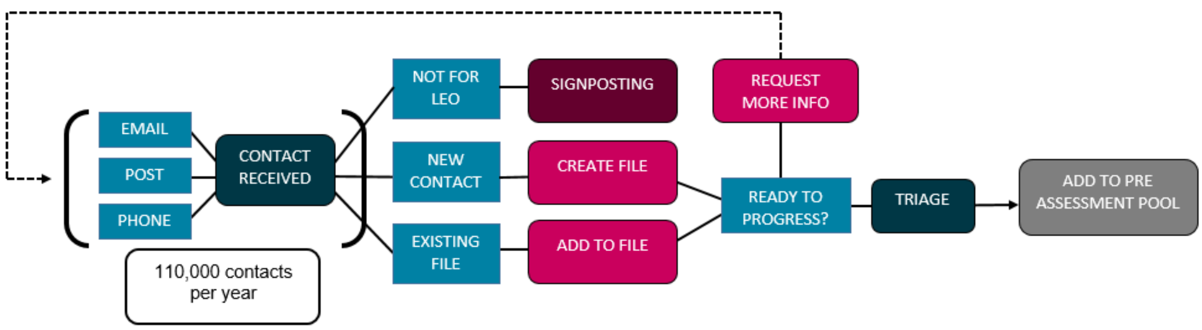
- In addition to the process improvements outlined above, the backlog has also been impacted by attrition at the end of the calendar year on both closures and reallocations, which reduced the volumes of new cases taken. There are therefore a large number of files waiting in our Pre-Assessment Pool – anticipated to peak at c. 3,250 files in Q1 of 2020/21.

- Over time, further improvements may be made to the front end, but as the shift in demand profile has already been addressed, they should not have the significant impact that this activity has delivered.

- Historically wait time at the start of the process has always existed, but due to the previous process, time prior to case acceptance was not counted or monitored.

- Files may pass through the General Enquiries Team many times before being considered ready to be passed to the Pre Assessment Pool.

- LeO has control over the way in which contacts are dealt with, but cannot entirely mitigate for how long it takes for someone to return to us to progress the file, other than through clarity and support with what is required.



- Developments to our process have improved our visibility of the number of cases at any point who might be in the initial stages of bringing a complaint to the Legal Ombudsman.

- Ongoing monitoring and refinement will be built in to ensure visibility that backlog risk is further reduced, and managed with the same rigour as the other parts of the process

Performance

What is the average level of closures per person, and how does this compare with expectations set of staff? Are you building an accepted level of poor performance into the budget proposals?

- Average performance per investigator peaked at 7.3 in October 2019, compared with 5.1 at the start of the year. The average closure per investigator for the last 6 months is 6.5, which reflects a slight drop in performance in recent months.

- Performance targets for staff expect that a full time investigator should be able to close around 7.3 cases per month. This is based on mapping of a full case holding of a standard mix of low and medium complexity cases, progressing in line with expected timescales.

- Fast stream resolution if successful, will change this case mix for standard investigators and therefore closure targets will reflect the complexity shift accordingly.

- Poor performance is not built into the plans as being acceptable, and staff will still be targeted on the appropriate number of closures that should be produced from a full case holding, progressed in line with timeliness targets.

- Time to full performance from start date is around 9 months and so benefits from recruitment will be realised toward year end and into the following year.

What is the current split of performance across the organisation?

- 39% of staff currently exceed expectations with average closures at 7 or more, delivering closure profiles ranging from 7-15.

- LeO currently has 26% of staff delivering broadly as expected, with a closure range of 5 to 7.

- 35% of staff are currently producing fewer than 5 closures per month.

- This represents an improved performance distribution, compared with the start of this year. There are opportunities, therefore, for further improvements in performance, but not to the extent that they would address the need for significantly increased volume in in-year delivery. Performance improvements take time to impact overall volume.

How will performance next year be improved and maintained?

- Automation of manual tasks such as case creation in the General Enquiries Team will maintain the staff resource to focus on contacts and the desired service level in this function.

- Advice and Support service level targets and clear management information on profile of incoming contacts and resourcing levels will ensure any fluctuations in activity are immediately responded to, to prevent the possibility of backlogs arising in the future.

- The People Plan sets out our intentions for creating a coaching and support approach to line management, within a proper set of performance expectations and performance management framework.

- The changes in senior leadership and the drive to a customer focused, problem-solving culture will begin to address some of the barriers to performance arising from our staff engagement and retention challenges.

- Quality of investigation outcomes will continue to be monitored through the improvements made this year such as the Quality and Feedback model – however this model will be kept under review to ensure it is not hindering performance or preventing any efficiencies.

- The Operational Transformation team will be working with high performers to understand whether there are any approaches or techniques which could form the basis of best practice capable of replication across the organisation.

- The team will also be working to develop a suite of enhanced guidance and support tools which can be employed, alongside improved coaching and support, to assist those who are struggling to meet the expected level.

- Further work will be carried out on analysing case flow and progression and testing of different case holding models to see if there are further improvements to be gained here, as well as addressing any staff concerns around current case holding.

- All of the above will be done in conjunction with staff, as set out in the People Plan and the attached narrative; a key focus for the year will relate to ensuring staff are involved, engaged and morale is lifted, and this is anticipated to have a beneficial impact on performance.

- A review of recruitment, induction and training is also taking place to identify any potential improvements which could minimise the time taken for new starters to become fully productive.

Why, if investigators are expected to deliver 7.3 cases, is performance for the year modelled at 6.1 per investigator?

- With a case holding that reflects the standard mix of low and medium complexity cases, the target number of closures for a fully established investigator (more than 12 months in post) is 7.3 per month.

- The modelling in the Road Map anticipates that a number of low complexity cases are closed through fast stream resolution which are accounted for separately in the model and not included in the main investigator cohort.

- The result is that the split of complexity in investigator case holdings shifts more heavily towards medium complexity, which affects the number of cases that can be closed per person.

- The figure of 6.1 has been built into the forecasting on the basis that this is the appropriate number of closures to expect from investigators should the fast stream resolution proceed as planned.

- Staff will still be managed in accordance with their individual performance targets, based on the appropriate number of closures that should be produced from a full case holding, progressed in line with timeliness targets – for the current mix of cases this is 7.3.

- LeO has set appropriately ambitious but achievable improvements to performance into the modelling for next year. Whether case complexity for investigators is affected by fast stream resolution or not, an overall productivity improvement of 5% is anticipated in operational delivery.

Why is attrition at LeO so high, and how do you propose to address this?

- Staff turnover has been high throughout 2019/20, with average attrition at 22%. This is higher when looking specifically at investigators, where the attrition level is around 30%. There are a number of underlying reasons for this, including recruitment from other public bodies in the local area.

- Another key driver of dissatisfaction is cited as being the negative impact of change. Other factors listed by exiting staff include workload, pressure to meet targets and morale. This is also reflected in our Staff Survey results.

- The Management Team have already implemented steps to address this including working with an independent reviewer to look at management and support for staff and setting up discussion/action groups on key areas.

- Additionally, the People Plan sets out how we will enhance the employee proposition, develop leadership capability and ensure excellent performance in line with our strategic objectives.

- It is anticipated that the steps taken will enable LeO to reduce attrition to an overall level of 18%.

<u>Reaching Green and KPIs</u>

What is the End to End KPI you are aiming for?

- LeO are aiming for a measurable Customer Journey Time which runs from the point at which a case is passed into the Pre-Assessment Pool to conclusion of the case. The Customer Journey Time is made up of time spent in the Pre Assessment Pool and the active investigation time.

- The target we are aiming for is that the median customer journey time should be set as follows:
    - Low complexity – 90 days
    - Medium complexity – 130 days
    - High complexity – 300 days

- The majority of contacts into the General Enquiries Team will be processed within 5 working days.

How have LeO decided that this is the appropriate level of service?

- Customer feedback tells us that, increasingly, once our investigations are underway our customers feel that the time taken is appropriate and acceptable.

- As explained above, there are limited reductions which can be made in the current investigation time.

- However, we know that the investigation time alone is not representative of the entire experience of those using our service. Wait times at the front end cause frustration and create a negative perception of LeO's service.

- The target Customer Journey Time represents a leading performance in the wider ombudsman sector in terms of speed of resolution.

- It is not expected nor desired that the number of files in the Pre-Assessment Pool reduces to zero – a small body of work is required in order to maintain efficiency and ensure smooth flow of cases.

- Our plans set out the trajectory to bring this down to an appropriate level, whereby the combined waiting time and investigation time falls within the End to End KPI.

Does the expected Customer Journey for 2020/21 represent a worse experience for customers?

- No. The Legal Ombudsman's plans to improve its service focuses on increasing the available resources and the productivity of existing staff, in order to progress more files and reduce the time spent waiting for an investigator.

- As set out above, improvements to the front end of our service means that we now have much greater visibility of the files at the front end and have been able to fast track cases that would have gone into the Pre-Assessment Pool over the next few months as people circled back to us.

- Essentially, these files would still have been going through the front end contact process, and therefore, their experience of LeO in terms of the time taken to proceed with an investigation would still be the same. The difference is that we are now able to measure this time in a way that was not possible before.

- The intentional increase in the short term is to move LeO to a situation where the potential for future backlogs is minimised by being ahead of the demand profile and moving forwards clear proactive management of incoming work to smooth flow and distribute peaks will ensure customer service is maintained.

Transparency and Feedback

What were stakeholder responses to the consultation in relation to feedback work?

- On the whole, the sector have been supportive of our proposals to increase the amount of feedback to the profession we are able to provide. In particular the LSCP, Bar Standards Board, and Minster Law were explicitly supportive of the proposals.

- LeO did receive some comments from other stakeholders that we should focus on performance as a priority and not invest any more into feedback work until significant improvements are made, and others commented that they wanted more specifics as to what could be delivered with increased investment into this area.

- LeO have set out a number of key deliverables in relation to the feedback to the profession work in the 2020/21 Business Plan.

- The Legal Ombudsman has a regulatory objective to improve access to justice and a key part of this is providing resources, training, guidance and feedback to help the profession to improve the service provided. This work cannot and should not be put on hold. Modest additional resources have been sought in order to be able to deliver this work without risking operational delivery.

What appetite is there in the market for further transparency work?

- LeO received a total of 17 responses to our discussion paper on Transparency and Reporting Impact. The responses were wide ranging in terms of the levels of support for the various propositions put forward for discussion.

- Most parties seem to agree that more data fields should be added to our ombudsman decision data.

- Opinion was divided as to whether annual reviews of service providers would be of benefit, whether made available externally or used internally for improvement work. Opinion was also divided on whether we should look to publish full ombudsman decisions, with strong advocates and detractors on both sides.

- The majority of respondents would support the Legal Ombudsman publishing contextual data alongside decisions.

- The responses demonstrate that whilst opinion remains divided as to the extent of the information which should be made available, there is a strong appetite for more transparent information to be made available.

- LeO will therefore be seeking to have a dedicated resource to consider how to progress this matter.

How much budget is being given to feedback to the profession, and do the different budget proposals affect this?

- In 2019/20, 2.5% of LeO's budget was dedicated to feedback to the profession. The overall budget dedicated to this work in 2020/21 is 3.3% of the total budget under programme 1B, and 3.1% under programme 1E.

- Under the preferred budget proposal, an additional £178,000 is being sought for feedback to the profession. This budget increase is intended to provide more dedicated resource in this area, to enable us to provide an enhanced level of feedback and resources, without impacting on the delivery of the required service improvements in operational delivery.

LEGAL SERVICES BOARD

OLC Budget Pack 2020/21

Contents

Legal Ombudsman – Budget Proposal

NOTE: This supplementary paper is provided in addition to the primary core papers. It provides a concise summary of the basis for the budget request and includes options analysis as discussed at the recent OLC Board meeting.

LeO Purpose

The Legal Ombudsman scheme (LeO) exists to provide assurance to people that when they use legal services, they can have confidence in the service they will receive and that redress is available if things do go wrong. We aim to achieve this through timely, efficient and effective resolution of individual complaints alongside use of our data and insights to provide feedback and guidance to support the continuous improvement of the legal sector. In so doing, we actively support access to justice.

Strategic Objectives

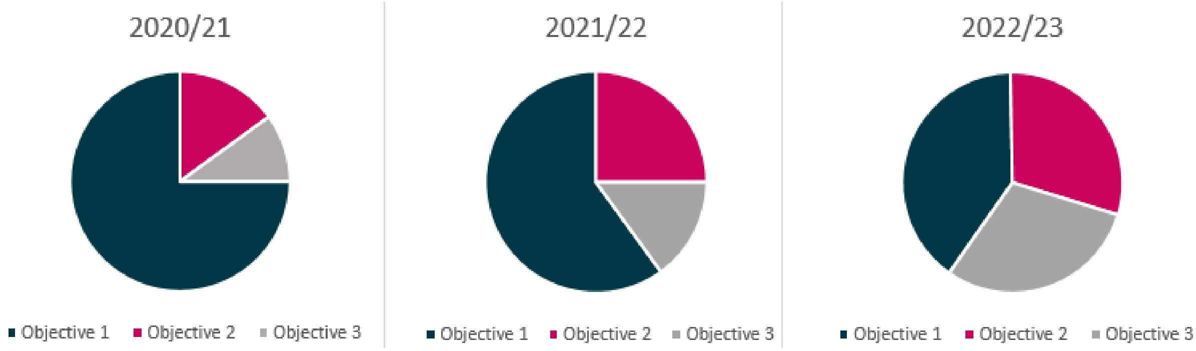
We have set three strategic objectives for 2020-23:

1. Improving the experience of our service for complainants and service providers while using our expertise to guide and add value to the complaints journey;
2. Increasing the transparency and impact of our casework to support greater access to justice, and
3. Developing our service to ensure it is appropriate for an evolving legal sector.

Through our consultation process, we have received support from the sector for the broad direction of our strategy, with many expressing a desire for greater feedback and insight. However, the overwhelming consensus from stakeholders is that we need to address our backlog and associated wait times as an absolute priority.

The OLC agree entirely with this view, and this has been our primary focus for the last 9 months. As such we will focus the vast majority of our effort in the first year of the strategy on the timeliness aspects of our service in support of strategic objective one, recognising this is the most pressing issue we face. Our ambition is to provide excellent service as soon as possible, with a cautious risk appetite for new developments at this stage.

Without improving the experience of those using our service, we put our plans for strategic objectives two and three at risk. By addressing the timeliness issue as an absolute priority we will be in a position to accelerate our ambition from a stronger foundation in years two and three. This approach is indicated in the graphic below.



Current position

Our previous 3 year plan focused on transformation and improvements to our systems and processes. We now operate in a stable environment with the vast majority of our processes fit for purpose.

However, it is clear that the demands of this transformation journey coupled with weaknesses in our leadership and core resourcing capability have resulted in an outcome for customers and the industry which is not acceptable.

In simple terms:

- Operational improvements at first contact, which have much improved our ability to process cases through to assessment have had the consequence of creating a backlog of cases waiting for investigation. There are currently over 3,000 cases waiting in this pre-assessment pool which equates to around 5 months of additional steady state demand.

- This has a knock on effect on customer journey times which are currently unacceptable and are around 6 months for low complexity cases, and 12 months or more for high complexity cases.

- Individual performance targets for staff expect that a full time investigator should be able to close up to 7.3 cases per month. This is based on mapping of a full case holding of a standard mix of low and medium complexity cases, progressing in line with expected timescales.

- Investigator productivity has improved from 5.1 closures per investigator in April 2019 to an average output of 6.5 closures per investigator over the last six months. Performance in recent months has dipped, reflecting the increased pressure of the current environment and the consequential reduction in staffing numbers and impact on timeliness. The Corporate Strategy 2020-23 and Business Plan 2020-21 address this dip in performance and will restore a sustainable, improved level of service without increasing LeO’s risk appetite.

- Throughout 2019/20 average staff turnover has been consistently high at 22%, rising to 30% in the investigator population. Whilst attrition has been affected by aggressive recruitment from other public bodies in the Birmingham area, we have conducted successful recruitment campaigns to maintain headcount. However, we struggle to retain new staff, and 49% have left the organisation within two years of joining.

- The Annual Staff Survey and analysis of exiting staff interviews reinforces the negative impact of change, particularly on operational staff with the engagement index dropping to 42% overall and down to 28% in the investigator population.

A summary of current performance levels for the year end 2019/20 is shown below. It should be noted that of the total budget of £12.346m, 87% (£10.776m) is aligned to operational delivery, which includes staffing and related overhead costs.

Considerations		2019/20
Demand	Incoming Contacts	110,000
	Incoming Cases	7,200
Customer Journey	No. files in PAP @ 31/3/20	2,600
	Customer Journey time - Low	209
	Customer Journey time - Medium	249
	Customer Journey time - High	418
Performance	Closures	6,500
	Productivity per Investigator	6.5
	Attrition (rolling average)	22%
Budget	Total Budget	£12.346m
	Levy	£11.240m
	Operational Delivery Budget	£10.776m
	Ops Delivery Establishment	188.6 FTE

Budget Request 2020/21

The Corporate Strategy 2020-23 sets out our plan over the next 3 years. The Business Plan 2020-21 and associated budget request more specifically address the plans to reach an acceptable performance in relation to the customer experience, aligned with strategic objective 1.

More specifically it sets out to achieve the following:

- clear the backlog of cases and remove wait time at the start of the process, to enable LeO to return to closing cases in line with incoming demand, and

- Significantly improve the median customer journey times to a level that is appropriate for those using our service, specifically:
    - 90 days for low complexity cases;
    - 130 days for medium complexity cases, and
    - 300 days for high complexity cases.

The budget also includes a modest additional investment in relation to feedback to the profession. This will allow us to begin advancing the work associated with strategic objective two, without the risk of derailing operational delivery.

Successful delivery of strategic objective one is entirely dependent on operational performance. In order to achieve these objectives we have built challenging but realistic improvements in to our underlying performance assumptions:

- Investigator productivity improved from current levels to an average of 6.8 per investigator;
- Underlying attrition rate reduced from 22% to 18%, and specifically in investigators from 30% to 18%;
- Employee Engagement index stabilised back at 50% with investigator scores significantly improved, and
- Management capacity and capability uplifted with specific new hires in senior operational lead roles.

The People Plan provides further detail as to the plan to address these issues.

Additional Operational Resource

These performance improvements cannot be delivered immediately and in aggregate do not achieve the outcomes required with the current level of resourcing. As such, the budget request put forward includes additional resources in the operational area in order to achieve the desired performance outcomes.

The combination of the additional resources and the projected productivity improvements will allow us to achieve the customer outcomes required.

The budget submission supports our ambition to improve business performance at the end of the next financial year as set out below, and beyond to September 2021 as set out in the Road Map to Green. This represents significant improvement against all key performance indicators, commensurate with the increase in the budget.

Considerations		2019/20	2020/21	Increase / (decrease)
Demand	Incoming Contacts	110,000	110,000	-
	Incoming Cases + backlog	7,200	7,200	-
Customer Journey	No. files in PAP @ 31/3	2,600	1,400	(46.15%)
	Customer Journey time - Low	209	122	(41.63%)
	Customer Journey time - Medium	249	162	(34.94%)
	Customer Journey time - High	418	331	(20.81%)
Performance	Closures	6,500	8,204	26.22%
	Productivity per Investigator	6.5	6.8*	4.62%
	Attrition (rolling average)	22%	18%	(18.18%)
Budget	Total Budget	£12.346m	£14.949m	21.08%
	Levy	£11.240m	£13.439m	19.56%
	Operational Delivery Budget	£10.776m	£13,211m	22.60%
	Ops Delivery Establishment	188.6 FTE	228.5 FTE	21.16%

*See note below re: fast stream resolution

Fast-Stream Resolution

In 2020/21 we will be trialing fast-stream resolution, which should allow us to address a proportion of the low complex cases in a much quicker fashion. Should this prove to be successful, this will shift investigator case holdings more heavily towards medium complexity, which would affect the number of cases that can be closed per person outside of the fast stream process.

Productivity per investigator has been factored into the Road Map to Green on the basis that fast stream resolution is successful, which reduces the expected closures per investigator to 6.1, with fast stream resolution closures accounted for separately within the modelling.

In this regard, the best way to assess the underlying productivity improvements in our plans for next year is to consider the total number of anticipated closures against the FTE establishment of operational delivery as a whole. In this sense, a productivity improvement of 5% is anticipated, alongside investment into additional resources.

We believe these improvements are appropriately ambitious, given the scale and nature of the staffing challenges currently faced, but also achievable, reflecting the importance of LeO’s delivery of the desired outcomes in the next financial year.

Future Years

The increase in budget and operational delivery resources is not intended to set LeO's costs at a new, higher level for future years. Once the desired outcomes have been achieved in terms of the customer journey time, LeO will be in a position to close cases in line with incoming demand.

It is therefore anticipated that once the backlog is removed and the Green KPI is achieved, the operational delivery budget will reduce (net of inflation) to the level required to maintain the acceptable level of service, in line with demand.

Budget Options Analysis

We recognise that the current proposal requires a 19.6% uplift in the Levy. Following discussions with the LSB, a number of different proposals have been modelled in terms of the increase to the budget and the resultant impact on the profession, ranging from a 5% increase in the Levy to a 30% increase. These proposals have been considered against the effect this would have on attainment of the desired improvements in backlog and end-to-end KPI.

In this modelling we have assumed that underlying productivity remains as per the base model. A sensitivity analysis has also been carried out (see Appendix BP1) which demonstrates the potential variations in the forecasting should any of the underlying assumptions either improve or decline.

Considerations		1A	1B	1E	1C	1D
Performance	Cases concluded	8,794	8,204	7,863	7,156	7,288
	Cases accepted	9,342	8,411	7,836	6,805	7,116
Mar-21	Number of files in PAP	0	1,400	2,046	2,696	2,348
	Customer journey time - Low	57	122	162	192	177
	Customer journey time - Medium	97	162	202	232	217
	Customer journey time - High	266	331	371	401	386
Sep-21	Number of files in PAP	-	543	966	2,567	1,921
	Customer journey time - Low	-	87	111	188	156
	Customer journey time - Medium	-	127	151	228	196
	Customer journey time - High	-	296	320	397	365
Dec-21	Number of files in PAP	-	-	620	2,656	1,842
	Customer journey time - Low	-	-	90	190	149
	Customer journey time - Medium	-	-	130	230	189
	Customer journey time - High	-	-	299	399	358
Budget	Increase to Levy	28.7%	19.6%	15.1%	5.0%	10.0%
	Avg Investigator FTE (2020/21)	130.69	115.92	106.80	90.45	95.26

Our recommended Programme 1B as set out above fulfils the following criteria:

- Attainment of service improvements and clearance of backlog and Green End to End KPI during 2021

- Direct improvement on key elements of service delivery commensurate with budget increase, and
- Offers appropriate risk protections against sensitivity across key assumptions

We are therefore seeking approval of the budget set out in Programme 1B, being a total budget for the financial year 2020/21 of £14.949m.

Risks and opportunities

A full assessment of the risks associated with the proposed plans is set out in the Road Map to Green.

The key risks to delivery can be summarised in terms of our ability to recruit and retain sufficient Operational Delivery staff to deliver the required outputs, along with our ability to improve morale, engagement and attrition within the existing established investigator community. There is also an inherent risk that failure to perform in line with the proposed plans would have a severe impact on LeO's reputation and credibility.

Nevertheless, these plans provide an opportunity to make a significant and sustainable improvement in LeO's service. With the correct level of resource and support there is the opportunity to work towards delivering the highest levels of organisational performance achieved by LeO to date.

APPENDIX BP 1

Contents

Model Assumptions

Programme 1B

- Demand will remain steady at 600 investigatable cases recieved each month
- Attrition of Investigators will start at 22% and will reduce to 18% at October 2020
- 8 FTE will be unavailable each month, 5 to maternity leave and 2 to long-term sickness
- There will be two tranches of recruitment in 2020/21, 18 FTE (Investigators) in April 2020 and 13 FTE (Investigators) in July 2020
- 6.1 FTE (Level 1 Investigating Ombudsmen) available in each month, producing 3.6 closures each
- 15.0 FTE (Fast Stream Resolution Caseworkers) available in each month, producing 90 closures per month
- The average closures per Investigator per month for all established members of staff is 6.1
- New recruits take 12 months to ramp up fully to 6.1 closures per month
- New recruits take 6 months to gather a full caseholding

Programme 1E

- Demand will remain steady at 600 investigatable cases recieved each month
- Attrition of Investigators will start at 22% and will reduce to 18% at October 2020
- 8 FTE will be unavailable each month, 5 to maternity leave and 2 to long-term sickness
- There will be one tranche of recruitment in 2020/21, 18 FTE (Investigators) in April 2020
- 6.1 FTE (Level 1 Investigating Ombudsmen) available in each month, producing 3.6 closures each
- 15.0 FTE (Fast Stream Resolution Caseworkers) available in each month, producing 90 closures per month
- The average closures per Investigator per month for all established members of staff is 6.1
- New recruits take 12 months to ramp up fully to 6.1 closures per month
- New recruits take 6 months to gather a full caseholding

This table shows the impact on output and delivery of flexing the input variables to this programme model

Programme 1B		Cases concluded (2020/21)	Cases accepted (2020/21)	Mar-21				Sep-21				Dec-21			
				Pre-Assessment Pool	Customer Journey			Pre-Assessment Pool	Customer Journey			Pre-Assessment Pool	Customer Journey		
					Low	Medium	High		Low	Medium	High		Low	Medium	High
Attrition	-15%	8341	8547	1255	123	163	332	Green	Green	Green	Green	Green	Green	Green	Green
	-10%	8295	8502	1306	126	166	335	Green	Green	Green	Green	Green	Green	Green	Green
	-5%	8249	8456	1357	128	168	337	Green	Green	Green	Green	Green	Green	Green	Green
	0%	8,204	8,411	1407	130	170	339	543	87	127	296	Green	Green	Green	Green
	+5%	8159	8366	1457	133	173	342	647	92	132	301	Green	Green	Green	Green
	+10%	8114	8321	1507	135	175	344	751	97	137	306	Green	Green	Green	Green
	+15%	8070	8276	1557	138	178	347	853	102	142	311	663	91	131	300
Productivity (Investigators)	-15%	7175	7382	2637	195	242	390	2362	183	230	378	2356	180	227	375
	-10%	7518	7725	2227	171	211	380	1755	148	188	357	1657	140	180	349
	-5%	7861	8068	1817	151	191	360	1149	118	158	327	959	106	146	315
	0%	8,204	8,411	1407	130	170	339	543	87	127	296	Green	Green	Green	Green
	+5%	8547	8754	997	110	150	319	Green	Green	Green	Green	Green	Green	Green	Green
	+10%	8890	9097	587	91	131	300	Green	Green	Green	Green	Green	Green	Green	Green
	+15%	9233	9440	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green
Productivity (FSR)	-15%	8042	8249	1588	139	179	348	814	101	141	310	576	87	127	296
	-10%	8096	8303	1528	136	176	345	723	96	136	305	Green	Green	Green	Green
	-5%	8150	8357	1467	133	173	342	633	92	132	301	Green	Green	Green	Green
	0%	8,204	8,411	1407	130	170	339	543	87	127	296	Green	Green	Green	Green
	+5%	8258	8465	1347	127	167	336	Green	Green	Green	Green	Green	Green	Green	Green
	+10%	8312	8519	1287	124	164	333	Green	Green	Green	Green	Green	Green	Green	Green
	+15%	8366	8573	1227	122	162	331	Green	Green	Green	Green	Green	Green	Green	Green
Incoming Demand	-15%	8204	8411	504	93	133	302	Green	Green	Green	Green	Green	Green	Green	Green
	-10%	8204	8411	805	106	146	315	Green	Green	Green	Green	Green	Green	Green	Green
	-5%	8204	8411	1106	119	159	328	Green	Green	Green	Green	Green	Green	Green	Green
	0%	8,204	8,411	1407	130	170	339	543	87	127	296	Green	Green	Green	Green
	+5%	8204	8411	1708	141	181	350	1024	109	149	318	832	97	137	306
	+10%	8204	8411	2009	150	190	359	1505	128	168	337	1403	121	161	330
	+15%	8204	8411	2310	159	199	368	1986	145	185	354	1974	143	183	352

This table shows the impact on output and delivery of flexing the input variables to this programme model

Programme 1E		Cases concluded (2020/21)	Cases accepted (2020/21)	Mar-21				Sep-21				Dec-21			
				Pre-Assessment Pool	Customer Journey			Pre-Assessment Pool	Customer Journey			Pre-Assessment Pool	Customer Journey		
					Low	Medium	High		Low	Medium	High		Low	Medium	High
Attrition	-15%	7993	7966	1901	155	195	364	664	96	136	305	Green	Green	Green	Green
	-10%	7949	7922	1950	157	197	366	765	101	141	310	Green	Green	Green	Green
	-5%	7906	7879	1998	159	199	368	866	106	146	315	Green	Green	Green	Green
	0%	7,863	7,836	2046	162	202	371	966	111	151	320	620	90	130	299
	+5%	7820	7793	2094	164	204	373	1065	116	156	325	750	96	136	305
	+10%	7777	7750	2142	166	206	375	1163	121	161	330	878	102	142	311
	+15%	7735	7708	2189	168	208	377	1261	125	165	334	1004	109	149	318
Productivity (Investigators)	-15%	6885	6858	3219	219	259	428	2706	197	237	406	2646	191	231	400
	-10%	7211	7184	2828	199	239	408	2126	168	208	377	1971	157	197	366
	-5%	7537	7510	2437	181	221	390	1546	140	180	349	1296	124	164	333
	0%	7,863	7,836	2046	162	202	371	966	111	151	320	620	90	130	299
	+5%	8189	8162	1656	142	182	351	386	82	122	291	Green	Green	Green	Green
	+10%	8515	8488	1265	123	163	332	Green	Green	Green	Green	Green	Green	Green	Green
	+15%	8841	8813	874	104	144	313	Green	Green	Green	Green	Green	Green	Green	Green
Productivity (FSR)	-15%	7701	7674	2227	170	210	379	1237	124	164	333	936	105	145	314
	-10%	7755	7728	2167	167	207	376	1147	120	160	329	831	100	140	309
	-5%	7809	7782	2107	165	205	374	1056	115	155	324	726	95	135	304
	0%	7,863	7,836	2046	162	202	371	966	111	151	320	620	90	130	299
	+5%	7917	7890	1986	159	199	368	876	106	146	315	Green	Green	Green	Green
	+10%	7971	7944	1926	156	196	365	786	102	142	311	Green	Green	Green	Green
	+15%	8025	7998	1866	153	193	362	696	97	137	306	Green	Green	Green	Green
Incoming Demand	-15%	7863	7836	1143	129	169	338	Green	Green	Green	Green	Green	Green	Green	Green
	-10%	7863	7836	1444	141	181	350	Green	Green	Green	Green	Green	Green	Green	Green
	-5%	7863	7836	1745	152	192	361	485	89	129	298	Green	Green	Green	Green
	0%	7,863	7,836	2046	162	202	371	966	111	151	320	620	90	130	299
	+5%	7863	7836	2347	170	210	379	1447	131	171	340	1191	115	155	324
	+10%	7863	7836	2648	178	218	387	1928	149	189	358	1762	138	178	347
	+15%	7863	7836	2949	185	225	394	2409	165	205	374	2333	159	199	368

Programme 1A +28.7% Levy

		Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	20/21
Investigator FTE	Total FTE	124.54	122.26	120.02	142.82	140.20	137.63	135.10	133.08	131.08	129.12	127.18	125.27	-
Productive Investigator Output	Over 12 month service	61.24	58.96	56.72	54.52	51.90	49.33	46.80	44.78	42.78	40.82	38.88	36.97	-
	Cases	367	336	374	360	311	326	309	282	231	220	198	255	3570
	Under 12 month service	55.30	55.30	55.30	80.30	80.30	80.30	80.30	80.30	80.30	80.30	80.30	80.30	-
	Cases closed per month	118	177	185	231	305	315	373	422	414	453	436	451	3880
	Total Productive FTE	116.54	114.26	112.02	134.82	132.20	129.63	127.10	125.08	123.08	121.12	119.18	117.27	-
	Case closed per month	486	513	559	591	616	640	682	704	645	674	634	706	7450
Fast Track Resolution Output	FTE	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	-
	Cases @ 6.0 closures per month	90	90	90	90	90	90	90	90	90	90	90	90	1080
Investigating Ombudsmen Output	FTE	6.08	6.08	6.08	6.08	6.08	6.08	6.08	6.08	6.08	6.08	6.08	6.08	-
	Cases @ 3.6 closures per month	22	22	22	22	22	22	22	22	22	22	22	22	263
Lost Investigator Output	Lost FTE (Maternity Leave)	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	-
	Cases @ 6.1 closures per month	31	31	31	31	31	31	31	31	31	31	31	31	366
	Lost FTE (Long Term Sickness)	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	-
	Cases @ 6.1 closures per month	18	18	18	18	18	18	18	18	18	18	18	18	220
	Total Lost FTE	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	-
	Total lost cases closed	49	49	49	49	49	49	49	49	49	49	49	49	586
Optimal Delivery (with Lost Investigator Output as actual closures)		646	674	720	752	777	801	843	865	806	834	795	867	9378
Actual Delivery		**598**	**625**	**671**	**703**	**728**	**752**	**794**	**816**	**757**	**786**	**746**	**818**	**8793**

Programme 1B +19.56% Levy

		Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	20/21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21
Investigator FTE	Total FTE	117.54	115.39	113.27	124.19	121.92	119.68	117.49	115.73	113.99	112.28	110.60	108.94	-	110.30	108.65	107.02	105.41	103.83	102.27
Productive Investigator Output	Over 12 month service	61.24	59.09	56.97	54.89	52.62	50.38	48.19	46.43	44.69	42.98	41.30	39.64	-	38.00	36.35	34.72	33.11	31.53	29.97
	Cases	367	337	376	362	316	333	318	292	241	232	211	273	3659	227	206	228	218	198	197
	Under 12 month service	48.30	48.30	48.30	61.30	61.30	61.30	61.30	61.30	61.30	61.30	61.30	61.30	-	64.30	64.30	64.30	64.30	64.30	64.30
	Cases closed per month	118	172	174	212	260	266	303	327	326	352	342	350	3202	366	366	369	382	389	387
	Total Productive FTE	109.54	107.39	105.27	116.19	113.92	111.68	109.49	107.73	105.99	104.28	102.60	100.94	-	102.30	100.65	99.02	97.41	95.83	94.27
	Case closed per month	486	509	550	574	575	599	621	620	568	584	552	624	6860	593	572	597	600	587	584
Fast Track Resolution Output	FTE	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	-	15.00	15.00	15.00	15.00	15.00	15.00
	Cases @ 6.0 closures per month	90	90	90	90	90	90	90	90	90	90	90	90	1080	90	90	90	90	90	90
Investigating Ombudsmen Output	FTE	6.08	6.08	6.08	6.08	6.08	6.08	6.08	6.08	6.08	6.08	6.08	6.08	-	6.08	6.08	6.08	6.08	6.08	6.08
	Cases @ 3.6 closures per month	22	22	22	22	22	22	22	22	22	22	22	22	263	22	22	22	22	22	22
Lost Investigator Output	Lost FTE (Maternity Leave)	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	-	5.00	5.00	5.00	5.00	5.00	5.00
	Cases @ 6.1 closures per month	31	31	31	31	31	31	31	31	31	31	31	31	366	31	31	31	31	31	31
	Lost FTE (Long Term Sickness)	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	-	3.00	3.00	3.00	3.00	3.00	3.00
	Cases @ 6.1 closures per month	18	18	18	18	18	18	18	18	18	18	18	18	220	18	18	18	18	18	18
	Total Lost FTE	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	-	8.00	8.00	8.00	8.00	8.00	8.00
	Total lost cases closed	49	49	49	49	49	49	49	49	49	49	49	49	586	49	49	49	49	49	49
Optimal Delivery (with Lost Investigator Output as actual closures)		646	669	710	735	736	759	782	781	728	745	713	784	8789	754	733	758	761	748	744
Actual Delivery		**598**	**620**	**662**	**686**	**687**	**711**	**733**	**732**	**680**	**696**	**664**	**735**	**8203**	**705**	**684**	**709**	**712**	**699**	**696**

Programme 1C +5% Levy

		Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	20/21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21
Investigator FTE	Total FTE	99.54	97.72	95.92	94.17	92.44	90.74	89.08	87.75	86.43	85.13	83.86	82.60	-	91.36	89.99	88.64	87.31	86.00	84.71	83.44	82.19	80.95
Productive Investigator Output	Over 12 month service	61.24	59.42	57.62	55.87	54.14	52.44	50.78	49.45	48.13	46.83	45.56	44.30	-	43.06	41.69	40.34	39.01	37.70	36.41	35.14	33.89	32.65
	Cases	367	339	380	369	325	346	335	312	260	253	232	306	3824	257	237	265	256	237	239	220	223	176
	Under 12 month service	30.30	30.30	30.30	30.30	30.30	30.30	30.30	30.30	30.30	30.30	30.30	30.30	-	40.30	40.30	40.30	40.30	40.30	40.30	40.30	40.30	40.30
	Cases closed per month	118	158	146	162	157	169	172	175	176	185	185	185	1989	185	192	200	213	236	227	237	232	238
	Total Productive FTE	91.54	89.72	87.92	86.17	84.44	82.74	81.08	79.75	78.43	77.13	75.86	74.60	-	83.36	81.99	80.64	79.31	78.00	76.71	75.44	74.19	72.95
	Case closed per month	486	497	526	531	482	516	507	487	436	438	417	490	5812	442	429	466	469	473	467	458	455	413
Fast Track Resolution Output	FTE	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	-	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00
	Cases @ 6.0 closures per month	90	90	90	90	90	90	90	90	90	90	90	90	1080	90	90	90	90	90	90	90	90	90
Investigating Ombudsmen Output	FTE	6.08	6.08	6.08	6.08	6.08	6.08	6.08	6.08	6.08	6.08	6.08	6.08	-	6.08	6.08	6.08	6.08	6.08	6.08	6.08	6.08	6.08
	Cases @ 3.6 closures per month	22	22	22	22	22	22	22	22	22	22	22	22	263	22	22	22	22	22	22	22	22	22
Lost Investigator Output	Lost FTE (Maternity Leave)	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	-	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
	Cases @ 6.1 closures per month	31	31	31	31	31	31	31	31	31	31	31	31	366	31	31	31	31	31	31	31	31	31
	Lost FTE (Long Term Sickness)	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	-	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
	Cases @ 6.1 closures per month	18	18	18	18	18	18	18	18	18	18	18	18	220	18	18	18	18	18	18	18	18	18
	Total Lost FTE	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	-	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
	Total lost cases closed	49	49	49	49	49	49	49	49	49	49	49	49	586	49	49	49	49	49	49	49	49	49
Optimal Delivery (with Lost Investigator Output as actual closures)		646	658	687	691	643	676	668	648	597	598	578	651	7741	603	590	626	630	633	627	619	616	574
Actual Delivery		**598**	**609**	**638**	**642**	**594**	**627**	**619**	**599**	**548**	**550**	**529**	**602**	**7155**	**554**	**541**	**577**	**581**	**585**	**578**	**570**	**567**	**525**

Programme 1D +10% Levy

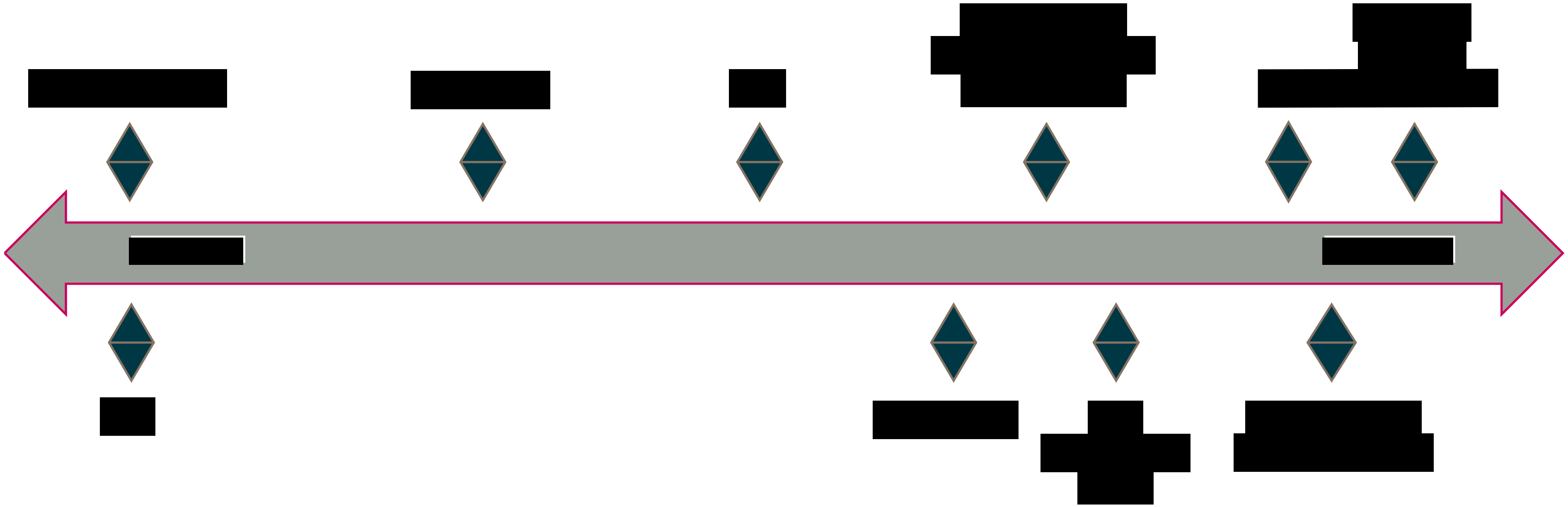
		Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	20/21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21
Investigator FTE	Total FTE	99.54	97.72	95.92	94.17	92.44	90.74	99.08	97.60	96.13	94.69	93.27	91.87	-	100.49	98.98	97.50	96.04	94.60	93.18	91.78	90.40	89.05
Productive Investigator Output	Over 12 month service	61.24	59.42	57.62	55.87	54.14	52.44	50.78	49.30	47.83	46.39	44.97	43.57	-	42.19	40.68	39.20	37.74	36.30	34.88	33.48	32.10	30.75
	Cases	367	339	380	369	325	346	335	311	258	251	229	301	3811	252	231	258	248	228	229	210	211	165
	Under 12 month service	30.30	30.30	30.30	30.30	30.30	30.30	40.30	40.30	40.30	40.30	40.30	40.30	-	50.30	50.30	50.30	50.30	50.30	50.30	50.30	50.30	50.30
	Cases closed per month	118	158	146	162	157	169	172	183	192	213	236	227	2134	237	240	253	267	289	281	298	293	299
	Total Productive FTE	91.54	89.72	87.92	86.17	84.44	82.74	91.08	89.60	88.13	86.69	85.27	83.87	-	92.49	90.98	89.50	88.04	86.60	85.18	83.78	82.40	81.05
	Case closed per month	486	497	526	531	482	516	507	493	450	463	466	528	5944	490	471	511	515	517	510	509	504	464
Fast Track Resolution Output	FTE	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	-	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00
	Cases @ 6.0 closures per month	90	90	90	90	90	90	90	90	90	90	90	90	1080	90	90	90	90	90	90	90	90	90
Investigating Ombudsmen Output	FTE	6.08	6.08	6.08	6.08	6.08	6.08	6.08	6.08	6.08	6.08	6.08	6.08	-	6.08	6.08	6.08	6.08	6.08	6.08	6.08	6.08	6.08
	Cases @ 3.6 closures per month	22	22	22	22	22	22	22	22	22	22	22	22	263	22	22	22	22	22	22	22	22	22
Lost Investigator Output	Lost FTE (Maternity Leave)	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	-	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
	Cases @ 6.1 closures per month	31	31	31	31	31	31	31	31	31	31	31	31	366	31	31	31	31	31	31	31	31	31
	Lost FTE (Long Term Sickness)	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	-	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
	Cases @ 6.1 closures per month	18	18	18	18	18	18	18	18	18	18	18	18	220	18	18	18	18	18	18	18	18	18
	Total Lost FTE	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	-	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
	Total lost cases closed	49	49	49	49	49	49	49	49	49	49	49	49	586	49	49	49	49	49	49	49	49	49
Optimal Delivery (with Lost Investigator Output as actual closures)		646	658	687	691	643	676	668	654	611	624	626	689	7872	650	631	672	676	678	671	669	665	625
Actual Delivery		**598**	**609**	**638**	**642**	**594**	**627**	**619**	**605**	**562**	**575**	**577**	**640**	**7287**	**601**	**582**	**623**	**627**	**629**	**622**	**620**	**616**	**576**

Programme 1E +15.13%

		Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	20/21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21
Investigator FTE	Total FTE	117.54	115.39	113.27	111.19	109.16	107.15	105.19	103.61	102.06	100.53	99.02	97.53	-	117.07	115.31	113.58	111.88	110.20	108.55	106.92	105.32	103.74
Productive Investigator Output	Over 12 month service	61.24	59.09	56.97	54.89	52.86	50.85	48.89	47.31	45.76	44.23	42.72	41.23	-	39.77	38.01	36.28	34.58	32.90	31.25	29.62	28.02	26.44
	Cases	367	337	376	362	317	336	323	298	247	239	218	285	3704	238	216	239	227	206	205	186	184	142
	Under 12 month service	48.30	48.30	48.30	48.30	48.30	48.30	48.30	48.30	48.30	48.30	48.30	48.30	-	69.3	69.3	69.3	69.3	69.3	69.3	69.3	69.3	69.3
	Cases closed per month	118	172	174	212	250	246	267	261	271	283	280	281	2815	295	310	327	353	403	384	405	394	406
	Total Productive FTE	109.54	107.39	105.27	103.19	101.16	99.15	97.19	95.61	94.06	92.53	91.02	89.53	-	109.07	107.31	105.58	103.88	102.20	100.55	98.92	97.32	95.74
	Case closed per month	486	509	550	574	567	581	590	559	518	522	498	566	6519	532	526	566	580	609	589	591	578	548
Fast Track Resolution Output	FTE	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	-	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00
	Cases @ 6.0 closures per month	90	90	90	90	90	90	90	90	90	90	90	90	1080	90	90	90	90	90	90	90	90	90
Investigating Ombudsmen Output	FTE	6.08	6.08	6.08	6.08	6.08	6.08	6.08	6.08	6.08	6.08	6.08	6.08	-	6.08	6.08	6.08	6.08	6.08	6.08	6.08	6.08	6.08
	Cases @ 3.6 closures per month	22	22	22	22	22	22	22	22	22	22	22	22	263	22	22	22	22	22	22	22	22	22
Lost Investigator Output	Lost FTE (Maternity Leave)	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	-	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
	Cases @ 6.1 closures per month	31	31	31	31	31	31	31	31	31	31	31	31	366	31	31	31	31	31	31	31	31	31
	Lost FTE (Long Term Sickness)	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	-	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
	Cases @ 6.1 closures per month	18	18	18	18	18	18	18	18	18	18	18	18	220	18	18	18	18	18	18	18	18	18
	Total Lost FTE	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	-	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
	Total lost cases closed	49	49	49	49	49	49	49	49	49	49	49	49	586	49	49	49	49	49	49	49	49	49
Optimal Delivery (with Lost Investigator Output as actual closures)		646	669	710	735	728	742	750	719	679	683	659	727	8448	693	687	727	741	770	750	752	739	708
Actual Delivery		**598**	**620**	**662**	**686**	**679**	**693**	**701**	**670**	**630**	**634**	**610**	**678**	**7862**	**644**	**638**	**678**	**692**	**721**	**701**	**703**	**690**	**660**

Meeting	LSB Board	**Agenda Item No.** **Paper No.**	
Date of meeting	26 March 2020	**Time required**	
Title	**OLC Strategy 2020/21 to 2022/23**		
Sponsor			
Status	OFFICIAL		
To be communicated to:			
Executive Summary			
[redacted]			
Recommendation/action required: For information			

[redacted]



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LEGAL
OMBUDSMAN

Making a difference, case by case

Consultation:

OLC CORPORATE STRATEGY 2020-23

FOREWORD

Thank you to everyone who responded to our recent Strategy and Business Plan consultation. I am delighted to launch our new 3 year strategy, alongside the business plan for 2020/21.

As always, change is an inevitability in legal services, and we all continue to grapple with new challenges and to review the appropriateness of the frameworks under which we operate. While there are innovations we must address, such as Artificial Intelligence (particularly in lawtech), greater demand for transparency, and new regulatory arrangements, our essential role in the market remains unchanged. We provide redress for people where things go wrong, resolve disputes that cannot be concluded at first-tier, and share learning to raise standards.

Our last strategy focused on the need to modernise a number of aspects of our business, and it is a testament to the commitment and hard work of staff at the Legal Ombudsman that they have introduced these changes alongside business as usual.

The strategy for 2020/23 will be characterised by two key areas: the **customer journey** and **learning and insight**. The responses we received during the consultation period showed that these are also the areas you want us to focus on. We have also heard your concerns about the backlog of complaints awaiting assessment and investigation, and will particularly prioritise clearing these in the next year.

Many of those who complain about their service provider already have a negative perception of the legal sector. The Legal Ombudsman scheme exists to provide assurance to people that when something does go wrong it will be put right, ideally by their service provider, but ultimately by the Legal Ombudsman if needed.

To do this we must exemplify best practice ourselves. It should not be overlooked that much of the work we do is already good – our customer service feedback reflects this. But we know that people’s perception of our service is affected by the wait at the beginning of our process. This must change. At the same time we also need to ensure we have the flexibility to deal with the different types of complaints we receive: both to ensure we are resolving disputes in the most efficient way, and to provide value for money. Underlying this is an approach to ombudsman work which seeks to get to the heart of a dispute and understand how we can best support resolution between complainants and their legal service providers.

Our business plan for 2020/21 sets out how we will address the customer journey and the challenge of reducing the waiting time at the beginning of our process. Waiting times are too long and our aim is to deliver a target median time for the customer journey of 90 days for low complexity cases, and 130 days for medium complexity which comprise 99% of our case load. To do this we need to increase our operational staff significantly, which accounts for the greater part of the budget increase that is proposed.

Over the next three years we will also be investing in our learning and insight work so that the sector has a much greater understanding of the key drivers of complaints and best practice in complaints handling. Reducing waiting times at the front-end of our service is the focal point for next year’s business plan, but we will be gradually increasing the staffing and resources to implement a comprehensive learning and insight programme as well.

We are also committed to improving staff experience and retention over the next three years. The Legal Ombudsman offers great flexibility and opportunity for people coming in at a range of difference places in their careers. We want to ensure that this is a positive, lively place to work, and that we can grow and develop our people to have a greater sense of ownership and empowerment throughout their time here.

The strategy and business plan are ambitious but, based on the radical work we have done in the last three years to modernise and improve performance I am confident that we will be able to demonstrate the true value that an ombudsman brings to the legal services market.

Rebecca Marsh
Chief Ombudsman & Chief Executive

LOOKING BACK: STRATEGY 2017-20

We have made strides over this period to improve our service offering and ensure the Legal Ombudsman remains relevant and accessible to all who need our help. We published our strategy for 2017-2020 in April 2017 and set four objectives regarding the work we would undertake over the following three years:

1. *To provide effective, efficient and high quality resolution of complaints by embedding the customer service principles throughout the organisation*
2. *Understand the legal service and CMC environments, and feed back to improve standards*
3. *To develop the scheme and the service we provide*
4. *To modernise LeO to deliver continuous improvement in performance and customer service and embed the right leadership, culture, skills, technology and ways of working*

To put these into practice, our business process went through a complete overhaul. As a result, key areas of our process improved significantly and we have identified areas for further development. We met many of the secondary timeliness KPI measures for the majority of the last three years, although we have not achieved the overall performance we were striving for. We recognise that the delays faced by some complainants and service providers have not represented the standard of service we want to offer.

However, our Customer Assessment Tool (which has so far been used by almost 25,000 people) has allowed people to understand quickly whether they are within our jurisdiction, and our Vulnerable Customer Champions are supporting a range of people who would otherwise have struggled to complain.

The challenges with our people have been greater than we envisaged due to the scale of change alongside performance demands. This has meant a tougher environment for recruiting and developing our staff, and while we have now stabilised this situation, we still need to improve the resilience of our workforce.

We have nevertheless achieved the aims of the Modernising LeO project, including implementing a new, effective case management system, new telephony, a new Information Rights and Security framework, completion of the Claims Management Company transfer project, rationalisation of our estates, and a refreshed appraisal framework for staff.

Over the last six months it has been fantastic to see the hard work of the modernisation programme beginning to pay off, with productivity increasing and customer journey time beginning to improve. We now have a high degree of confidence that we can move forward and achieve sustainable performance, and really help in challenging the legal sector overall to improve.

These past three years have been a real challenge for the organisation, but one we have met with great determination. It is because of the tenacity and laudable work ethic of our staff that the organisation will continue to move forward over the next three years as well.

If you have any questions concerning this publication or how to engage with us about our strategic planning, please email support@legalombudsman.org.uk.

LOOKING FORWARD: HORIZON SCANNING

This strategy takes into account the following external developments that are likely to have a bearing on our organisation over the next three years.

- Greater interest in early resolution techniques and public interest decisions by ombudsman schemes
- Emphasis on accessibility and transparency of services to the public
- New SRA Standards & Regulations taking effect, including new practising arrangements
- UK leaving the EU affecting exchange of services and civil justice coooperation
- UCL Review of Legal Regulation likely to recommend significant changes, though implementation is uncertain
- Planned publication of White Paper on ADR and consumer protection in Summer 2020
- Increased funding committed to exploring ‘lawtech’ initiatives, growing interest in AI
- Solicitors Qualifying Examination and changes in other regulatory regimes, altering how the profession is trained
- Ombudsman sector still subject to increased scrutiny by Members of Parliament
- Recommendations for new property agent regulator and New Homes Ombudsman
- Potential for law firm insolvencies to continue increasing, which may have implications for our remedies
- Divorce reform legislation progressing through Parliament, reducing conflict in the divorce process
- Leasehold inquiry by CMA and further calls for reform of system
- Personal injury market shrinking and implementation of the Civil Liability Act
- Further work by regulators on the quality of criminal justice advocacy

LOOKING FORWARD: STRATEGY 2020-23

Mission: To be an independent and impartial ombudsman service providing reassurance and redress while constructively challenging the legal sector to improve.

Vision: Our work builds genuine trust and public confidence in legal services in England & Wales.

To achieve our mission, we have three strategic objectives which will guide our organisational approach over the next three years.

1. Improving the experience of our service for complainants and service providers while using our expertise to guide and add value to the complaints journey

2. Increasing the transparency and impact of our casework to support greater access to justice

3. Developing our service to ensure it is appropriate for the evolving legal sector

Each year, this strategy will be underpinned by a business plan, budget, delivery plans and key performance indicators (KPIs) that provide more detail on what we will be working on and how we will measure each of our objectives.

STRATEGIC OBJECTIVE ONE

- **Improving the experience of our service for complainants and service providers while using our expertise to guide and add value to the complaint journey**

Where are we now?

We have:

- Altered our investigation process so that most of our customers deal with the same investigator throughout, and there are fewer pauses between different stages.
- Resolved over 2,000 complaints from our previous case management system which had been accepted under our old process.
- Reduced wait time at the front end of our process since April 2019, and plans are in place to further improve the customer experience over the next financial year.
- Improved productivity and case closures so that by the end of the year we will have concluded complaints for around 6,500 people.
- Introduced an online Customer Assessment Tool which has provided easier access to our service for over 25,000 people.
- Introduced new ways to support our staff so that complainants and service providers receive higher quality and more consistent outcomes to their disputes.
- Improved our data and insight reporting so we can understand more about how we are processing our casework.

What difference will we have made in 3 years?

- People who are in dispute with their service provider (often at difficult and life-changing moments) receive a service from our staff that is more sensitive to their situation.
- Both complainants and service providers trust that the way their dispute is dealt with is fair and just, because we explain our process, role and reasoning in a way that everyone understands. They recognise the value of our service and role of the Ombudsman in serving the wider public interest.
- People want to come to work for the Legal Ombudsman, and staff experience a positive and energetic working environment which motivates good performance. They see their role here as a key step in enhancing their career journey.
- Overall, this means that the legal sector recognises that we provide an excellent level of service and people are more likely to be confident in engaging with legal service providers because of our work.

STRATEGIC OBJECTIVE TWO

- **Increasing the transparency and impact of our casework to support greater access to justice**

Where are we now?

We have:

- Issued a discussion paper to begin the conversation about how best to be more transparent and better communicate the impact we have.
- Provided a range of guidance which enables the sector to understand how we make decisions and award remedies.
- Provided regular courses which are well-received by the profession and supported other bodies by sharing our experience through conferences, podcasts and networking events.
- Continued to share our data with regulators to help them understand their regulated communities.

What difference will we have made in 3 years?

- Stakeholders in the legal services market value the quality of our insight and engagement work, and recognise and acknowledge the benefits of investing in customer service.
- By sharing more of our data and decisions, people have a better understanding of what reasonable service looks like, and are more confident in complaining where service falls short.
- People who wish to research potential service providers will have access to a greater range of information about the outcomes of complaints about them.
- Legal service providers have a better understanding of, and opportunity to act upon, the causes and impact of complaints.
- People have a better experience of using legal service providers because of our contribution to raising standards.
- Law schools and others responsible for education, training and ongoing learning have access to materials we produce about good customer service.

STRATEGIC OBJECTIVE THREE

- **Developing our service to ensure it is appropriate for the evolving legal sector**

Where are we now?

We have:

- Spoken regularly to major stakeholders about any proposed policy changes that are likely to affect our work with the profession, including the new SRA Standards and Regulations and UCL Independent Review of Legal Services Regulation.
- Introduced a regular horizon scanning paper for our Board and senior staff to understand the world outside our offices and inform decision-making.
- Started scoping the potential of artificial intelligence to benefit different aspects of our business process.
- Adjusted the language used in our investigations and Scheme Rules according to the results of specific research.

What difference will we have made in 3 years?

- Sector policy takes account of the importance of access to redress where otherwise this might be put at risk by innovations and fast-paced change.
- Improvements to our service are better suited to the people who come to us because they are more firmly rooted in evidence, and internal change is managed effectively.
- Our staff are actively engaged and involved in growing our service based on their experience of conducting casework, so that we stay up to date with people's evolving needs and expectations.
- The customer journey is smoother and more tailored and our feedback work will be more detailed due to the support offered through artificial intelligence, automation and machine learning.
- As changes happen externally, people's experience with our organisation and process remain consistently good, as we easily adjust to sector changes as well as changes in demand for our service.
- We understand how to close gaps in redress for people using legal services, as we listen to the experience of those in the sector and provide guidance to government on key matters.

Office for Legal Complaints
'The Road Map to Green'
LSB Board 26 March 2020

Office for Legal Complaints

10 March 2020

FINAL FOR LSB Board 26 March 2020

CONTENTS

Appendices

Executive Summary

1. The Key Points of briefing are:

a. During 2018/19 the Legal Ombudsman (LeO) delivered the ‘Modernising LeO’ Programme which set in place a range of process improvements. In 2019/20 these improvements have shown a reduction in the Customer Journey time for cases of all complexity. During autumn 2019 LeO was asked to produce a ‘Road Map to Green’ (RMtG) describing the future improvements to performance.

b. Following strong performance during the months of July, August, September and October 2019, performance in November through January has fallen short of the aspirational delivery targets set. Accordingly the underpinning assumptions have been reviewed resulting in this Road Map to Green Revised (RMGR) which describes how the customer journey will be improved, the End to End KPI delivered and by when.

c. The thrust of these adjustments has been to provide assurance that the assumptions made are deliverable and firmly grounded on what the organisation is capable of delivering. This does not imply that the organisation has a reduced appetite for seeking improvement in output or indeed for improving other dynamics such as reductions in attrition. Such developments will be pursued on the journey to attaining the End to End KPI.

d. Following on from ’Modernising LeO’, during the autumn of 2019 a review was launched of business practice in the Advice & Support (A&S) area of LeO’s operations. This was the final area of service to be subjected to searching management review. Opportunities have been found to refine the A&S process, develop performance indicators and to accelerate the progress of files through the system. This has resulted in a large volume of additional files being fed through the normal channel to enter the Pre-Assessment Pool (PAP).

e. A Budget Proposal leads the papers in this Budget Pack. The headline course of action is identified as Programme 1B which includes sufficient resources to achieve the required improvements by September 2021. In order to provide a lower cost option in year for decision makers Programme 1E is also described and this delivers the required improvements in the Customer Journey Time by December 2021.

f. The RMGR provides a new performance indicator such that 60% of written contacts in the Advice and Support service receive response within 5 days and 100% within 14 days.

g. The report also provides for the Customer Journey Time for all complexity cases to be improved and defines the new ‘End to End KPI’ which takes into account Customer Journey Time including time spent in the Pre-Assessment Pool. .

h. The figures shown below will - at conclusion of the Programme - be adopted as the ongoing ‘End to End KPI’ with a 5% tolerance level to reflect variations in work flow. LeO believes that this Customer Journey Time will represent one of the stronger performances within the Ombudsman sector. Monthly targets in attaining these values are provided at Appendices RM 6 and RM 7.

Case Complexity	Anticipated Customer Journey time by September or December 2021 Days (Median)
LOW	90
MEDIUM	130
HIGH	300

i. The A&S contact PI of 5 days will also be closely monitored. This could be framed as a KPI but it would not be strictly correct to include this parameter within the ‘End to End’ KPI as this applies only to files accepted for investigation and the 5 days to all contacts, whether taken forward for investigation or not. Nonetheless, if desired, this 5 day target could be considered alongside the ‘End to End’ KPI to provide the overall view.

Introduction

2. The original Road Map to Green (RMtG) was produced following a request from the Board of the Office for Legal Complaints (OLC) and the Legal Services Board (LSB) that a plan be produced to describe activity in progress to secure improvements in Customer Journey Time. Although improvements have already been attained these will increase further if Programme 1B or 1E and the associated Final Budget is approved by LSB Board 26 March 2020.

3. This report:

   a. Defines the Customer Journey Time by the end of March 2020 i.e. within the current financial year;

   b. Presents a plan (Programme 1B) to achieve further reductions in waiting time in LeO’s business process by September 2021 and presents the ‘End to End KPI’;

   c. Includes a Programme Risk Register and associated risk analysis;

   d. Presents an alternative plan (Programme 1E) which extends the timeframe for delivery to December 2021;

   e. Provides a clear set of monthly targets for the Pre-Assessment Pool, case closures, productivity and the Customer Journey Time through to the close of financial year 2020/21 and beyond;

   f. Provides assurance on the maintenance of quality and process including the progressive adoption of the Quality and Feedback (QUAF) Model.

g. Summarises the findings of the review of the Advice & Support service area and describes action needed to optimise waiting times in LeO's business processes; and

h. Forms part of a suite of documents which include the Strategy, Business Plan, Budget and People Plan. These documents stand together as an integrated statement of LeO's plans in the period ahead.

4. The acronyms and terms used in this report are set down in a list of abbreviations (Appendix RM 1) and glossary (Appendix RM 2).

Governance

5. LeO is overseen by the Board of the Office for Legal Complaints (OLC). The OLC is both sponsored by and accountable to the Ministry of Justice (MoJ) and Legal Services Board (LSB).

6. The Legal Ombudsman is a public scheme, established under Part 6 of the Legal Services Act 2007. It helps to resolve issues between complainants and regulated legal service providers in England and Wales. The scheme protects and promotes the public interest by investigating issues in dispute impartially and fairly when legal service providers have been unable to resolve the complaint.

7. The OLC Board meets on eight occasions in each year and is supported by regular meetings of the Assurance & Risk Committee (ARAC) and Remuneration Committee (RemCo).

8. The OLC Board has engaged in a number of detailed discussions regarding these proposals and has provided rigorous challenge to the Executive in reaching agreement on these matters.

Scale and character of business

9. The A&S service receives and handles around 110,000 contacts a year. Of these around 7,000 typically present as complaints regarding unresolved disputes against legal service providers, which fall within the jurisdiction of LeO, require investigation and are ready to be investigated. Horizon scanning and operational forecasting indicate that demand is likely to remain constant for the next financial year. The investigations undertaken at LeO are similar to the complex case work undertaken by other Ombudsman schemes or a typical legal practice and cannot be considered simply as low level complaint handling.

10. Of the total case load accepted so far in 2019/20, 68% of cases are low complexity, 31% medium complexity, 1% high complexity. The criteria which determine case complexity are based on a matrix set out in Appendix RM 3. Since LeO's inception service providers have been encouraged to successfully resolve the most straightforward complaints internally which means that complaints accepted by LeO require significant time investment in order to bring about a resolution.

Note on Statistical Techniques – Measures of Location

11. In this plan three Measures of Location are used to assist the reader to understand the performance improvements that are described and to provide assurance that the observations made are robust. These are defined at Appendix RM 4.

Process improvements & the Customer Journey

12. The tables below shows the improvements that can be made through the work programmes outlined in this report.

Improvements in Customer Journey time by September 2021: Programme 1B

Case Complexity	% of Case Load (A)	APRIL 2019 Days (Median) (B)	SEPTEMBER 2021 Days (Median) (C)	REDUCTION Days (Median) (B) – (C)	REDUCTION IN CUSTOMER JOURNEY TIME %
LOW	68	223	87	(136)	-60.98%
MEDIUM	31	259	127	(132)	-50.97%
HIGH	1	416	296	(120)	-28.85%

Improvements in Customer Journey Time by December 2021: Programme 1E

Case Complexity	% of Case Load (A)	APRIL 2019 Days (Median) (B)	DECEMBER 2021 Days (Median) (C)	REDUCTION Days (Median) (B) – (C)	REDUCTION IN CUSTOMER JOURNEY TIME %
LOW	68	223	90	(133)	-59.64%
MEDIUM	31	259	130	(129)	-49.81%
HIGH	1	416	299	(117)	-28.13%

13. LeO is already part way on the journey to achieve the improvements described above and this can be seen in the paragraphs that follow. The improvements falling within financial year 2020/21 are dependent upon the approval of the Final Budget submitted by the OLC Board to the LSB Board. These improvements include significant reduction of wait time in LeO's business process and reducing the number of files in the Pre-Assessment Pool by *September* 2021; if Programme 1E is preferred, by *December* 2021.

14. By autumn 2019 LeO had brought modernisation to the investigation and closure process and launched a further review as part of the improvement journey in the A&S service area.

15. The Advice & Support Review was undertaken with the following objectives:

A. To more closely define the business processes in the Advice & Support service area.

B. To understand improvements that can be made to minimise wait time in this service area.

C. To define performance indicators for use by managers in assuring business performance in the future.

The A&S Review – Action Taken

16. As a result of the review, the way that contacts are managed has been improved. A sifting process has been introduced to ensure that each contact is allocated to a specific work stream. It is now easier to monitor each of the different aspects of the business process and allocate resources proactively to address variance in demand.

17. There is now greater clarity on where feasibility work can be conducted to assess the possibility of semi-automating some of the front-end processes.

18. Improvements have been made to management information to allow improved monitoring of team and individual performance. Further improvements in the reporting functionality of the key business system are being explored.

19. In 2019/20 temporary resources have been commissioned for a limited period to assure that all waiting time has been minimised by 31 May 2020.

20. As a consequence of shortening processes and reducing wait time it has been possible to accelerate the progress of files into the Pre-Assessment Pool. This will take place during the last Quarter of 2019/20 leading to an expected overall total at 31 May 2020 of c. 3,250 files.

21. This total will be reduced to c. 600 by the end of September 2021 or December 2021. A portfolio of 600 files is in the region of 1 month's work and this is seen as a reasonable working assumption.

Resources

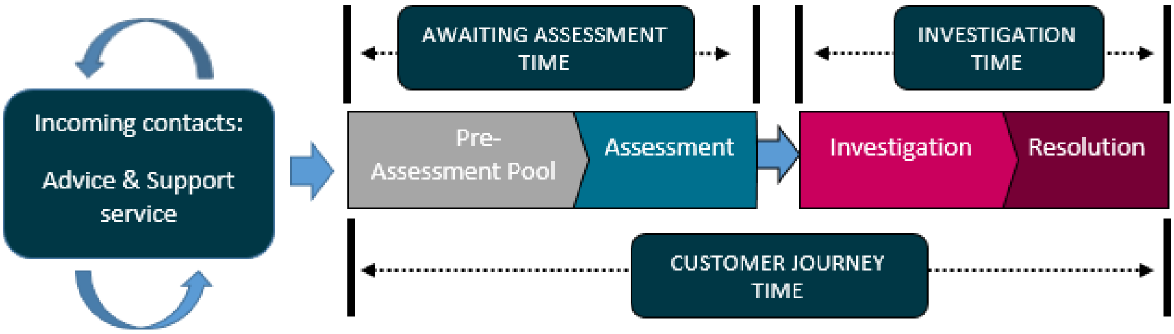
22. As at October 2019 LeO employed a staffing complement of 236.4 FTE; this figure was net of a number of vacancies that were subject to recruitment at the time. The organisation has sustained financial reductions in the region of 40 % in real terms since 2012/13 but seeks to maintain similar levels of output despite these reductions in resources.

23. The delivery of Programme 1B improvements requires additional staff resources to an overall Establishment of 286.3 FTE. The delivery of Programme 1E requires an overall establishment of 264.4 FTE reflecting the longer time period allowed for delivery. These resource levels are reflected in the Final Budget submission for 2020/21.

24. The additional resources required for completion of either programme is to deliver the specific objectives and allow LeO to close more cases than incoming demand. Following completion of the programme, budget requirements are expected to reduce to an establishment in line with incoming demand.

Understanding the Business Process

25. There are two components to the Customer Journey Time. These are the Awaiting Assessment Time and the Investigation Time. These time periods are preceded by the Advice & Support activity.



26. The Advice & Support service deals with a number of different queries. Contacts are either signposted to other agencies, asked for further information or taken through to assessment, investigation and closure. A new PI has been adopted for 2020/21 which is that each written contact will be handled, and a response given within 5 working days of receipt (60%) and 14 days (100%).

27. In the above schematic the Advice & Support (A&S) service ends when it is established that there is sufficient information on file to be able to carry out a detailed assessment, and that the matter appears to be something which LeO should consider for investigation. The file is then triaged and passed into the Pre-Assessment Pool. The period between triage and the case being allocated to an investigator for assessment is the Awaiting Assessment Time.

28. The second component of the Customer Journey Time is the Investigation time, which is that the time taken to investigate and conclude the case. The Investigation time varies based on the complexity of the case.

    a. Low Complexity for which the Investigation time is forecast to be a median figure of 56 calendar days at March 2020 and looking forward.

    b. Medium Complexity for which the median figure is forecast to be 96 calendar days at March 2020 and looking forward.

    c. High complexity for which the median figure is forecast to be 265 calendar days at March 2020 and looking forward.

29. As part of earlier improvements an in-depth review of all investigation processes took place and opportunities for efficiencies were identified and implemented. Whilst LeO continues to strive for improvements it is anticipated that there is limited scope to further reduce the Investigation Time.

30. Any improvements to Customer Journey Time must therefore be made by reducing the Awaiting Assessment Time. Cases are taken out of the Pre-Assessment Pool in line with cases being closed, so the ability to reduce the Awaiting Assessment Time

depends entirely on the closures achieved. This is broadly anticipated to be achieved by the increase in staffing as outlined in Programmes 1B and 1E. The Programmes also allow for the trialling of ‘Fast Stream Resolution’ and consideration of potential AI initiatives.

<u>Fast Stream Resolution</u>

31. ‘Fast Stream Resolution’ (FSR) has been developed as an alternative model for handling low complexity case work which relates to an area of law which is *formulaic* in character. This is presently being developed and trialled with case work relating to residential conveyancing which forms 25% of the low complexity work stream at LeO. There may be opportunities to extend this model to other areas of work.

32. FSR will be served by a specific team brought together for the purpose of operating an alternative resolution path, within shorter timelines than the standard low complexity pathway.

<u>Programme 1B Assumptions</u>

> What are Programmes 1B and 1E?
>
> Programme 1B describes how the Customer Journey Time can be reduced by c. 60% for low complexity cases by September 2021. Programme 1E is presented as an alternative implying lower cost in year and an extended delivery point. Risk is discussed later in this report and at Appendix RM 12.

33. The assumptions in forming Programme 1B are set out below.

34. The Investigation Time currently observed is accepted as broadly the best that can be achieved in process terms and is reasonable for the complexity of work undertaken.

35. For the reasons set out in the section on the A&S review it is accepted that the Pre-Assessment Pool will contain c. 3,250 files by the end of May 2020 and this is expected to reduce to c. 600 by September 2021.

36. The overall median Customer Journey Time for a low complexity case is reduced to within 90 days by 30 September 2021 and this compares well with current performance standards within the Ombudsman sector as demonstrated at Appendix RM 9.

37. The Programme will be delivered within the resources contained in the Final Budget.

38. The demand for LeO’s service will remain constant.

<u>Resources</u>

39. The level of staff resources required in Operations to deliver Programme 1B and Programme 1E, together with other options modelled in the subsequent Sensitivity Analysis are shown in the following table.

Case :	As January 2020	Programme 1B	Programme 1E	
Position	FTE	FTE	FTE	
Team Leaders	11.8	16.8	12.0	
L2 Ombudsmen	11.0	15.0	12.0	
L1 Ombudsmen	27.7	26.6	22.0	
Investigators	107.2	115.9	106.4	
Ops Managers	4.0	4.0	4.0	
FSR	5.0	15.0	15.0	
A & S	30.7	35.2	35.2	
Total Operations	197.4	228.5	206.6	

Programme 1B Defined

40. The par agraphs bel ow di scuss t he i mprovements w hich ar e as sociated w ith Programme 1B. These relate to:

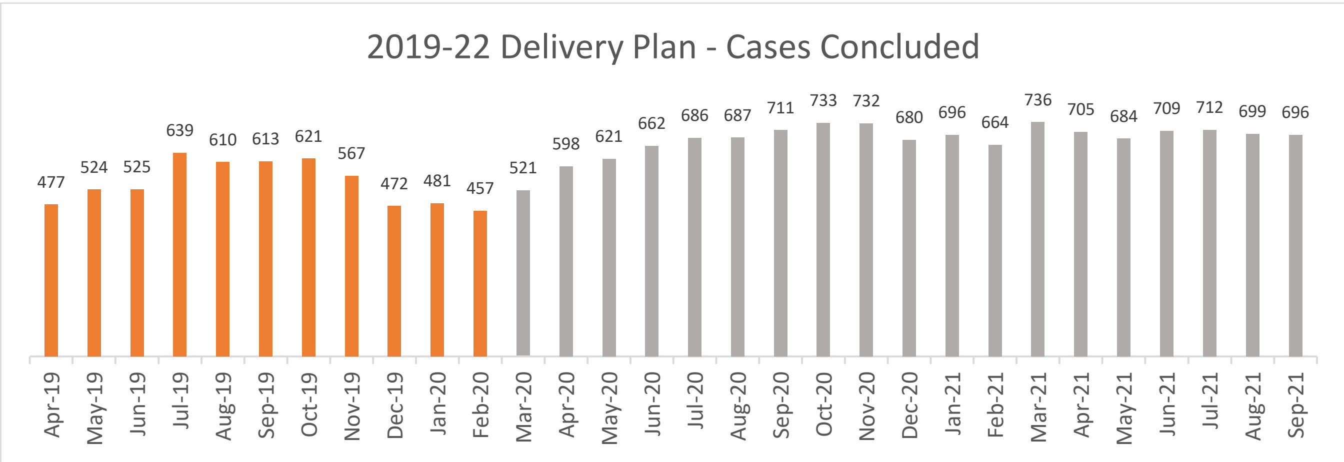
a. Case Closures;
b. Volume of files in the Pre-Assessment Pool, and
c. Customer Journey times.

Case Closures

41. The graph below shows the actual and planned performance to March 2021.

Actual | Target

Programme 1B



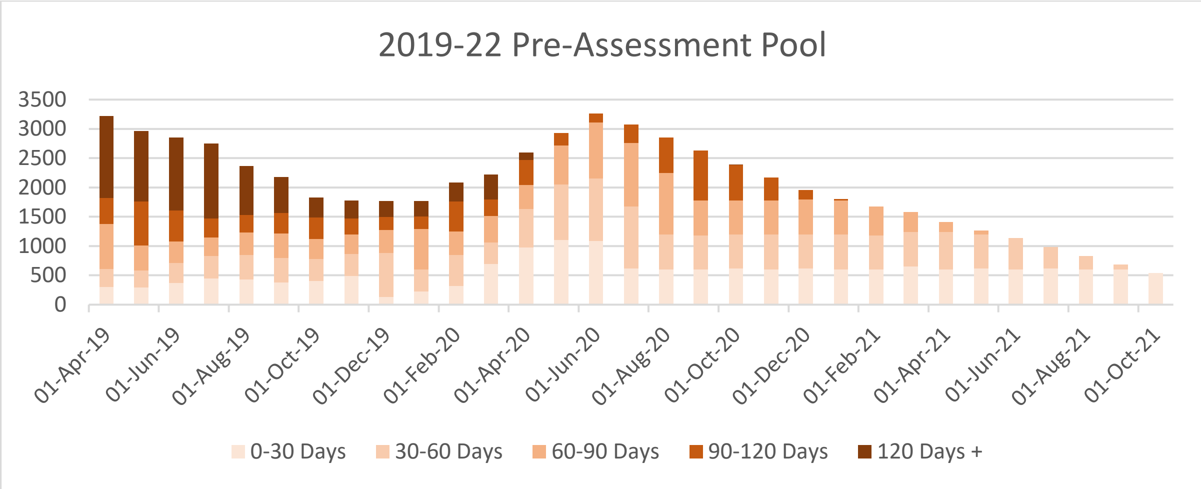
Note: the above figures do not take account of retrospective adjustments to closures which are reported periodically to LSB by letter.

42. The rising closure curve in the above graph is enabled by the increased resources referred to above.

The Pre-Assessment Pool

43. The graph below sets out the expected volumes of files in the Pre-Assessment Pool to the end of September 2021. Reference has been made elsewhere to a large number of files being added to the Pre-Assessment Pool in Q4 of 2019/20 and Q1 of 2020/21 which is expected to result in a short-term increase in the volume of files which will be reduced in line with the timeframe below.

Programme 1B



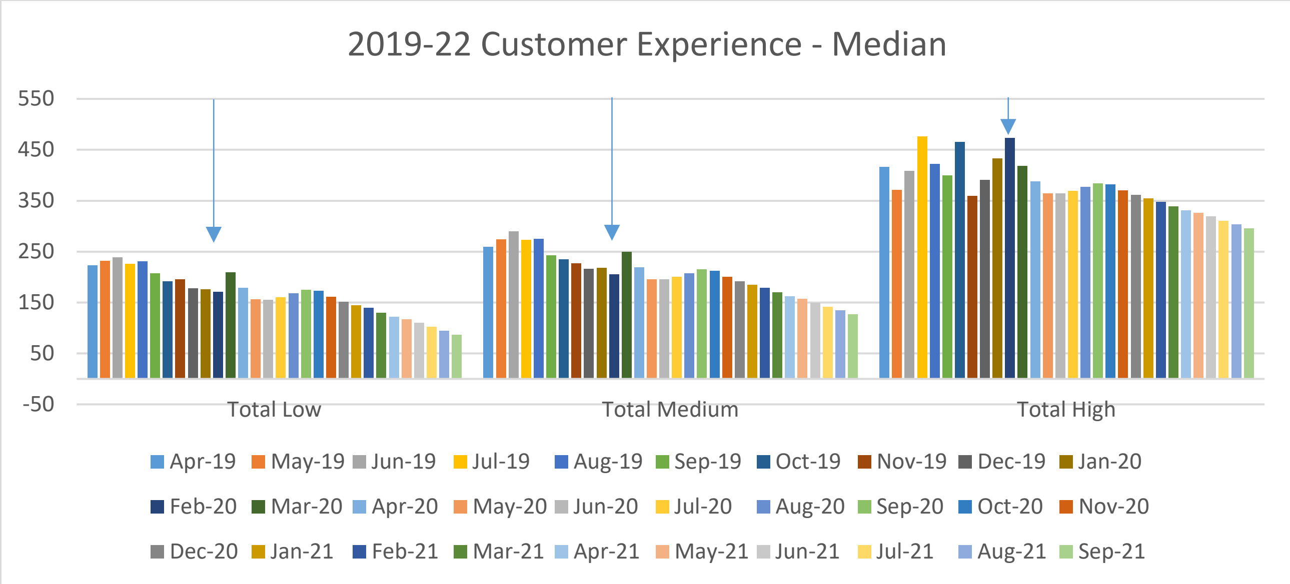
<u>Customer Journey Time</u>

44. The table below shows how the *median* figures for the Customer Journey Time will improve by September 2021. In viewing the tables it is important to consider that 68% of cases are low complexity and that this is therefore the experience for the majority of LeO’s service users. The increase in the volume of files in the Pre-Assessment Pool in Q4 will lead to a short term increase in Customer Journey time between Jun and September 2020 but will be reduced in line with the time frame below. The same metrics are shown by *Mean* and *Mode* in Appendix RM 6.

<u>Customer Journey Time Programme 1B</u>

<u>Median</u>

Days	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21
PAP	171	180	190	185	181	154	134	129	115	100	96	153	123	100	99	104	112	119	117	105	96	89	83	74	66	61	54	46	39	31
Low	52	52	49	41	50	54	58	66	63	76	75	56	56	56	56	56	56	56	56	56	56	56	56	56	56	56	56	56	56	56
Medium	88	94	100	88	94	89	101	98	101	118	109	96	96	96	96	96	96	96	96	96	96	96	96	96	96	96	96	96	96	96
High	245	191	219	291	241	246	331	231	276	333	377	265	265	265	265	265	265	265	265	265	265	265	265	265	265	265	265	265	265	265
Total Low	223	232	239	226	231	208	192	195	178	176	171	209	179	156	155	160	168	175	173	161	152	145	139	130	122	117	110	102	95	87
Total Medium	259	274	290	273	275	243	235	227	216	218	205	249	219	196	195	200	208	215	213	201	192	185	179	170	162	157	150	142	135	127
Total High	416	371	409	476	422	400	465	360	391	433	473	418	388	365	364	369	377	384	382	370	361	354	348	339	331	326	319	311	304	296



Note: the arrows indicate the end of February 2020.

<u>Risk Assessment</u>

45. The monthly targets that form part of Programme 1B have been assessed and the full Risk Register for Programme appears at Appendix RM 12.

46. The Final Budget has been prepared on the assumption that Programme 1B is adopted. Programme 1E has been developed to achieve the same improvements but over a longer period of time with a smaller budget in year and smaller resourcing requirement.

47. The difference in costs between Programme 1B and Programme 1E is set down in the Budget Report in the Budget Pack.

<u>Programme 1E Defined</u>

48. The paragraphs below discuss the improvements which are associated with Programme 1E. As before these relate to:

a. Case Closures;
b. Reductions in the Pre-Assessment Pool, and
c. Customer Journey time.

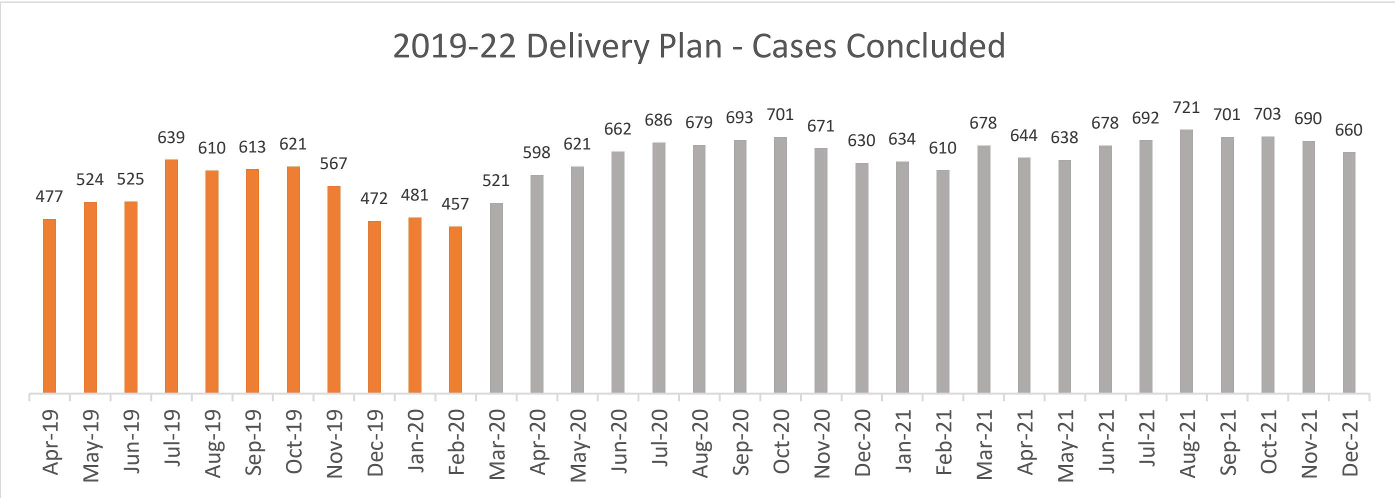
49. The graphs and tables for Programme 1E are shown below. The Programme is resourced to a lower level than 1B and so takes longer to realise the improvements.

Case Closures

50. The graph below shows the actual and planned performance to December 2021.

Actual		Target	

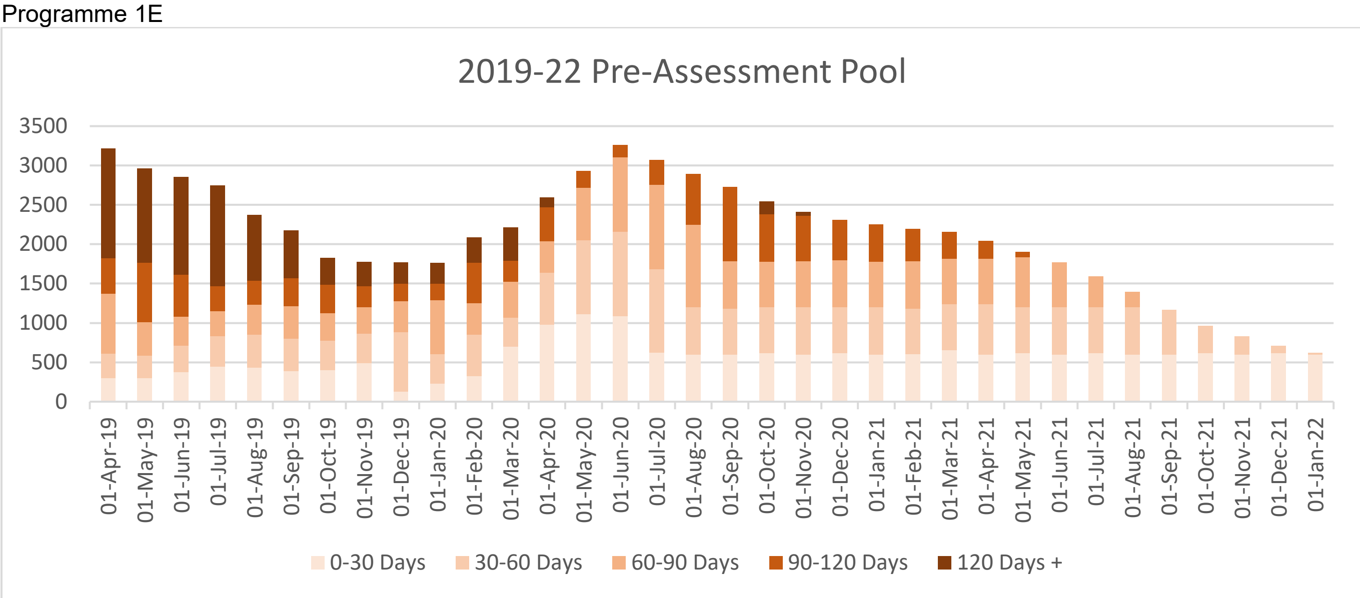
Programme 1E



Note: the above figures do not take account of retrospective adjustments to closures which are reported periodically to LSB by letter.

The Pre-Assessment Pool

Programme 1E



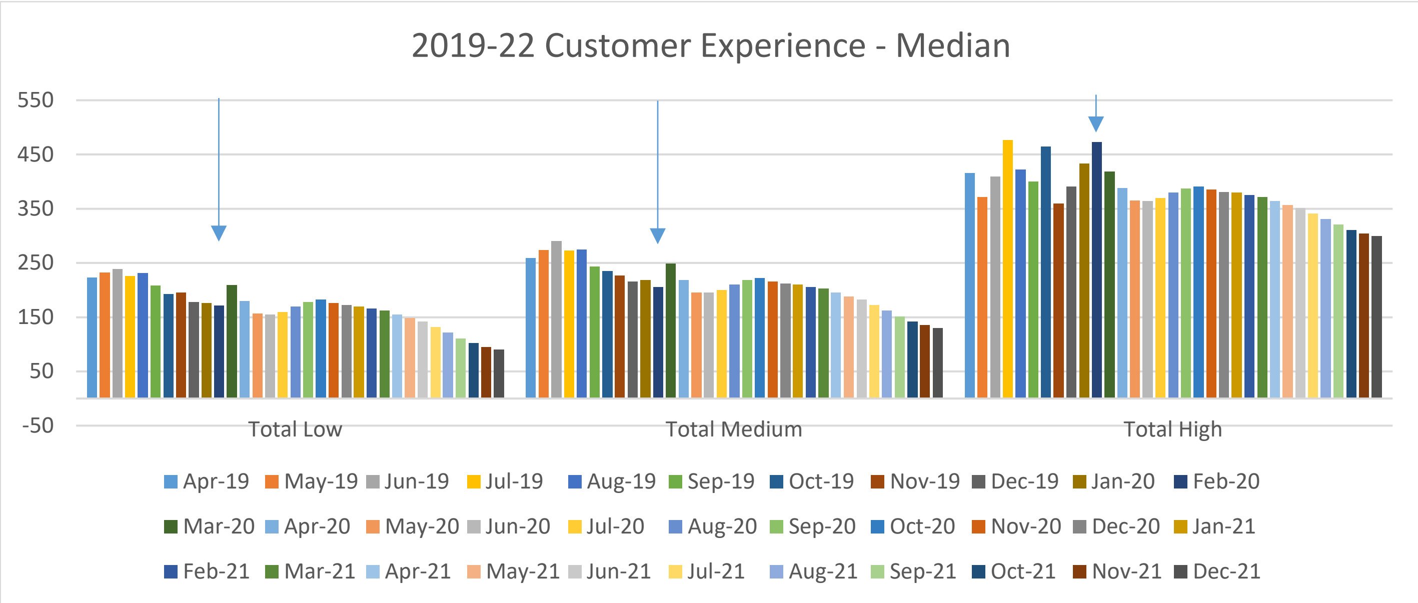
Customer Journey Time

Programme 1E

Days	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20
PAP	171	180	190	185	181	154	134	129	115	100	96	153	123	100	99	104
Low	52	52	49	41	50	54	58	66	63	76	75	56	56	56	56	56
Medium	88	94	100	88	94	89	101	98	101	118	109	96	96	96	96	96
High	245	191	219	291	241	246	331	231	276	333	377	265	265	265	265	265
Total Low	223	232	239	226	231	208	192	195	178	176	171	209	179	156	155	160
Total Medium	259	274	290	273	275	243	235	227	216	218	205	249	219	196	195	200
Total High	416	371	409	476	422	400	465	360	391	433	473	418	388	365	364	369

Days	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21
PAP	114	122	126	120	116	114	110	106	99	92	86	76	66	55	46	39	34
Low	56	56	56	56	56	56	56	56	56	56	56	56	56	56	56	56	56
Medium	96	96	96	96	96	96	96	96	96	96	96	96	96	96	96	96	96
High	265	265	265	265	265	265	265	265	265	265	265	265	265	265	265	265	265
Total Low	170	178	182	176	172	170	166	162	155	148	142	132	122	111	102	95	90
Total Medium	210	218	222	216	212	210	206	202	195	188	182	172	162	151	142	135	130
Total High	379	387	391	385	381	379	375	371	364	357	351	341	331	320	311	304	299

Programme 1E



Note: the arrows indicate the end of February 2020.

Risk Assessment

51. The risk register for Programme 1E is at Appendix RM12.

Delivering the Programmes

52. Staff engagement is a key factor in achieving either of the Programmes. Line managers in LeO are aligned with a pro-active and business focused HR Team which engages to resolve issues and support performance. Further details appear in Appendix RM 5 and the wider dimensions of this work appear in the People Plan 2020/21.

53. The targets outlined in the selected Programme will be monitored and reported on. Further, performance is currently reported and reviewed as follows

    a. Senior Leadership Team – daily.
    b. Management Team – reported weekly and reviewed fortnightly
    c. Board – reported weekly & reviewed at every Board meeting.
    d. LSB/LeO Director's Meeting – monthly.

e. Senior Officials Meeting with MoJ and LSB – bi-monthly

Conclusion

54. Programmes 1B and 1E have been developed to outline how LeO can achieve the benefits described in the Executive Summary of this report.

APPENDIX RM 1

List of Abbreviations

A & S ……………………………………………Advice & Support

ARAC ……………………………………………Assurance & Risk Committee

CJT ………………………………………………Customer Journey Time

FSR ……………………………………………...Fast Stream Resolution

FTE ………………………………………………Full Time Equivalent

HR ……………………………………………….Human Resources

LeO ………………………………………………Legal Ombudsman

LSB ………………………………………………Legal Services Board

MoJ …………………………………………… Ministry of Justice

OLC …………………………………………… Office for Legal Complaints

PAP ………………………………………………Pre-Assessment Pool

QUAF …………………………………………… Quality & Feedback

RemCo …………………………………………..Remuneration Committee

RMtG……………………………………………..Road Map to Green

RMGR..………………………………………... Road Map to Green Revised

APPENDIX RM 2

Glossary

Advice & Support service	the process by which 110, 000 contacts each year are supported, understood, advised, subject to enquiry and clarified in terms of their suitability for LeO to consider investigation
Awaiting Assessment time	Time spent in the Pre-Assessment Pool.
Customer Journey time	the overall time for a complaint to be resolved, comprising Awaiting Assessment time and Investigation time.
Establishment	the total of number approved posts in LeO at any point in time, defined as numbers of Full Time Equivalents.
Fast Stream Resolution	an alternative model for case resolution.
High Complexity case	a case of the highest complexity handled by LeO as defined in Appendix RM 3 and comprising 1% of cases
Investigation time	the time taken for investigation and closure.
Low Complexity case	a case of the lowest complexity handled by LeO as defined in Appendix RM 3 and comprising 68% of cases.
Medium Complexity case	A case of medium complexity handled by LeO as defined in Appendix RM 3 and comprising 31% of cases.
Mean	in statistics a Measure of Location in a population of data calculated by taking the total value of items in the data set and dividing the total by the number of data items. Otherwise known as the ‘average’.
Median	in statistics a Measure of Location in a population of data found by listing data in order of magnitude and taking the middle value.
Mode	in statistics a Measure of Location in a population of data calculated by establishing the value that occurs most frequently.
Pre-Assessment Pool	a stage in LeO’s business process before a case is assessed for investigation.
Quality & Feedback Model	a management model used in LeO to assure quality and adherence to standard process by provision of supervision, advice and support to Investigators by Team Leaders and Ombudsmen.

Road Map to Green	the first version of a report agreed by OLC Board on 24 October 2019 as platform to launch consultation on LeO's 2020/21 Strategy, Business Plan and Budget. This has been superseded by this document, the Road Map to Green Revised.
Road Map to Green Revised	The second and final version of the Road Map.

APPENDIX RM 3

Definitions of Case Complexity

No. of items of complaint	No. of themes of complaint	Length of Retainer (length of legal service)	Likely remedy	Difficulty of legal matter	Overall complexity
1-10	1-3	Weeks/months	Modest, 1 or 2 remedy types, low value	Normal	Low
11-20	4-6	1-3 years	Significant, few remedy types, medium value	Normal	Medium
21+	7+	4 years +	Exceptional, multiple remedy types, high value	Niche/unusual	High

Notes:

1. The complexity is determined by the majority of appropriate fields completed. Each box is weighted equally. If there is not a majority it is the difficulty of the legal matter that determines the overall complexity. However, if the niche/unusual box is selected it brings it up by one overall complexity level. Examples of niche/unusual would include some commercial conveyancing and Patent Attorney cases.

2. Items of complaint are the number of individual examples of poor service raised.

3. Themes are the groups under which these examples sit.

4. For example, 10 examples of delay, and 4 examples of not responding to emails is 14 items and 2 themes.

APPENDIX RM 4

Measures of Location

Note on Statistical Techniques – Measures of Location

In this plan three Measures of Location are used to assist the reader to understand the performance improvements that are described and to provide assurance that the observations made are robust.

a. The Median: this is found by arranging data items in order of value and selecting the middle value. The median is the preferred and most robust measure of central tendency in this report, but the Mode and Mean are also provided where this is helpful to the context for purposes of comparison.

b. The Mode: this is the value that occurs most frequently in a population of data; accordingly, in the context of this report it is the value experienced by the largest sector of the service user population. In relation to High Complexity cases it is evident from detailed information provided in this report that the Mode has not provided reliable and consistent values because of relatively small numbers of such cases. Where there is no value that occurs most frequently, or all values are unique, there will be no result for the mode.

c. The Mean: more often referred to as the 'average' this is the total value in a population of data divided by the number of data items in that population. This measure is often higher than the Median because it takes account of variability in the data set.

As the most robust measure, and because the associated data is aligned closely, the Median is the measure quoted in the text of the report.

APPENDIX RM 5

Suite of Activities undertaken to Support Staff and Manage Performance

The People Plan for 2020/21 elsewhere appears on this agenda (item 2 102.1)

Recognition and reward
A comprehensive reward scheme, celebrating success, modelled on MoJ's reward scheme has been very successfully implemented. This provides a range of rewards from instant recognition to quarterly annual awards that directly link to performance, behaviours and personal development. The scheme has been endorsed by OLC's RemCo and will be further refined in the next year to target improved performance.
Employee Relations
A schedule for comprehensive review of HR policy for 2019/20 has been developed. Work on high priority policy change started in August 2019. The Grievance and Disciplinary Policies have been updated to encourage and enforce the swift resolution of issues. The provision of HR support in facilitated and mediated discussion has been aimed at resolving grievances informally where possible and at the earliest opportunity. Work to update and align the suite of HR policies continues, with completion planned for Q4 2019/20.
Performance Management
There has been focused work to provide managers with the support and confidence required to tackle poor performance. Consequently, there has been an increase in the number of staff managed in line with our Performance Support Framework. Work to combine HR and performance data has resulted in the provision of weekly reports for line managers. The reports inform strategies for tailored performance conversations and forecast resource required to support the application of the Performance Support Framework. Further work to refine the tools used to develop new starters and manage poor performance is in progress, with completion planned for Q3 2019/20. As a key element of the new Quality & Feedback Model, tools to monitor progression against objective measures of performance have been developed, in order that every investigator understands their current performance and path to improvement.
Learning and Development
Throughout 2019, members of LeO's Wider Leadership Team have been working with a leadership development coach on a one to one basis. The sessions aim to increase self-awareness so delegates can better understand their own strengths and weaknesses and identify how they can contribute more effectively to the organisation. The three-week induction programme provides a structured and comprehensive introduction to the organisation and means operational staff are confident and competent when they start their new roles. Mental health training was delivered to our people managers. The course gave them the knowledge, confidence and skills to interact and appropriately support a person who may be suffering from poor mental health. Our team leaders and operations managers received training on technical aspects of the scheme. A structured programme of learning has been designed for our Level 1 ombudsmen. The programme contains a blend of role specific modules to support them in their day to day activities, while also providing development of their soft skills such as emotional intelligence, coaching and giving feedback. The programme has already started and will continue throughout 2019/20.

Recruitment & Retention
The objective of our operational recruitment campaigns has been to ensure the organisation remains at establishment for all roles including Investigator, Call Handler and Team Leader, keeping pace with the current turnover rate. There have therefore been a number of successful external and internal recruitment campaigns including for the Operations and Delivery Team. Total employee turnover has stabilized at 21 – 22%. HR intervention into poor performance and conduct accounts for 46% of employee turnover since 1 April 2019 and the remaining attrition is believed to be similar to comparable organisations within the region. Workforce planning is ongoing alongside budget setting and creation of a new People Plan
Absence Management
There has been focused work to provide managers with the support to tackle absence in excess of organisational triggers. Consequently, there has been an increase in the number of staff issued with warnings in line with the Absence Management Policy. This has been balanced by early supportive interventions, such as the introduction of a 'Workplace adjustments passport' to support staff wellbeing at work. Effectiveness of the current policy on organisational absence levels is being closely monitored in the coming months. Work to update Absence Management Policy will follow in Q4 2019/20, pending further analysis.
Employee Engagement and E&D
Regular communications are made through multiple channels including face to face all staff briefings, blogs from both management team members and guest contributors and intranet stories. Engagement with the Wider Leadership Team (WLT) and staff council alongside drop in sessions with teams ensure a two way dialogue. The RACE action plan and establishment of a BAME network has made progress.

APPENDIX RM 6

Programme 1B Monthly Targets to September 2021

2020-21 Delivery Plan - Actual Cases Concluded

Month	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Total
Delivery Plan	598	621	662	686	687	711	733	732	680	696	664	736	8204

2020-21 Delivery Plan - Actual Cases Accepted

Month	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Total
Delivery Plan	669	670	711	739	740	764	732	731	679	656	624	696	8411

Pre-Assessment Pool

Date	01-Apr-19	01-May-19	01-Jun-19	01-Jul-19	01-Aug-19	01-Sep-19	01-Oct-19	01-Nov-19	01-Dec-19	01-Jan-20	01-Feb-20	01-Mar-20	01-Apr-20	01-May-20	01-Jun-20	01-Jul-20	01-Aug-20	01-Sep-20	01-Oct-20	01-Nov-20	01-Dec-20	01-Jan-21	01-Feb-21	01-Mar-21	01-Apr-21	01-May-21	01-Jun-21	01-Jul-21	01-Aug-21	01-Sep-21	01-Oct-21
0-30 days	299	300	377	451	433	385	404	489	130	229	324	695	979	1110	1085	619	600	601	619	601	619	600	602	658	601	619	601	619	600	601	543
30-60 days	314	286	333	379	419	419	369	373	755	373	530	372	660	944	1075	1065	599	581	581	599	581	599	581	581	639	581	532	360	223	80	0
60-90 days	763	424	373	323	380	408	350	340	392	688	397	453	404	660	948	1075	1049	599	581	581	599	581	493	341	168	59	0	0	0	0	0
90-120 days	445	754	530	314	305	353	367	266	220	211	515	272	423	211	156	313	602	847	599	385	157	23	0	0	0	0	0	0	0	0	0
120 days +	1396	1196	1238	1279	835	608	338	305	268	266	319	426	127	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0
Total	3217	2960	2851	2746	2372	2173	1828	1773	1765	1767	1767	2218	2593	2926	3263	3072	2851	2627	2380	2167	1957	1803	1675	1579	1407	1259	1133	979	823	681	543

Customer Journey
Median

Days	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21
PAP	171	180	190	185	181	154	134	129	115	100	96	153	123	100	99	104	112	119	117	105	96	89	83	74	66	61	54	46	39	31
Low	52	52	49	41	50	54	58	66	63	76	75	56	56	56	56	56	56	56	56	56	56	56	56	56	56	56	56	56	56	56
Medium	88	94	100	88	94	89	101	98	101	118	109	96	96	96	96	96	96	96	96	96	96	96	96	96	96	96	96	96	96	96
High	245	191	219	291	241	246	331	231	276	333	377	265	265	265	265	265	265	265	265	265	265	265	265	265	265	265	265	265	265	265
Total Low	223	232	239	226	231	208	192	195	178	176	171	209	179	156	155	160	168	175	173	161	152	145	139	130	122	117	110	102	95	87
Total Medium	259	274	290	273	275	243	235	227	216	218	205	249	219	196	195	200	208	215	213	201	192	185	179	170	162	157	150	142	135	127
Total High	416	371	409	476	422	400	465	360	391	433	473	418	388	365	364	369	377	384	382	370	361	354	348	339	331	326	319	311	304	296

Mode

Days	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21
PAP	166	182	193	183	172	156	132	126	104	134	116	188	121	101	99	104	112	119	116	105	96	89	83	74	67	61	54	46	39	31
Low	60	58	54	51	55	58	64	72	70	81	82	61	61	61	61	61	61	61	61	61	61	61	61	61	61	61	61	61	61	61
Medium	99	105	107	106	105	101	114	107	111	132	116	108	108	108	108	108	108	108	108	108	108	108	108	108	108	108	108	108	108	108
High	209	211	225	278	238	244	331	260	279	267	320	256	256	256	256	256	256	256	256	256	256	256	256	256	256	256	256	256	256	256
Total Low	226	240	247	234	227	214	196	198	174	215	198	249	182	162	160	165	173	180	177	166	157	150	144	135	128	122	115	107	100	92
Total Medium	265	286	300	290	278	257	246	233	215	266	232	296	229	209	207	212	220	227	224	213	204	197	191	182	175	169	162	154	147	139
Total High	375	393	418	461	410	400	463	386	383	401	436	444	377	357	355	360	368	375	372	361	352	345	339	330	323	317	310	302	295	287

Mean

Days	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21
PAP	170	175	195	181	181	148	134	125	88	98	154	154	126	100	100	102	114	120	117	105	95	87	84	74	66	63	56	45	41	30
Low	70	10	63	37	22	56	43	56	49	21	22	56	56	56	56	56	56	56	56	56	56	56	56	56	56	56	56	56	56	56
Medium	152	109	109	70	192	67	168	147	87	104	77	76	76	76	76	76	76	76	76	76	76	76	76	76	76	76	76	76	76	76
High	-	-	331	362	43	344	400	231	-	473	-	331	331	331	331	331	331	331	331	331	331	331	331	331	331	331	331	331	331	331
Total Low	240	185	258	218	203	204	177	181	137	119	176	210	182	156	156	158	170	176	173	161	151	143	140	130	122	119	112	101	97	86
Total Medium	322	284	304	251	373	215	302	272	175	202	231	230	202	176	176	178	190	196	193	181	171	163	160	150	142	139	132	121	117	106
Total High	-	-	526	543	224	492	534	356	-	571	-	485	457	431	431	433	445	451	448	436	426	418	415	405	397	394	387	376	372	361

APPENDIX RM 7

Programme 1E Monthly Targets to December 2021

2020-21 Delivery Plan - Actual Cases Concluded

Month	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Total
Delivery Plan	598	621	662	686	679	693	701	671	630	634	610	678	7863

2020-21 Delivery Plan - Actual Cases Accepted

Month	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Total
Delivery Plan	669	670	711	700	693	707	661	631	590	594	570	638	7836

Pre-Assessment Pool

Date	01-Apr-19	01-May-19	01-Jun-19	01-Jul-19	01-Aug-19	01-Sep-19	01-Oct-19	01-Nov-19	01-Dec-19	01-Jan-20	01-Feb-20	01-Mar-20	01-Apr-20	01-May-20	01-Jun-20	01-Jul-20	01-Aug-20	01-Sep-20	01-Oct-20	01-Nov-20	01-Dec-20	01-Jan-21	01-Feb-21	01-Mar-21	01-Apr-21	01-May-21	01-Jun-21	01-Jul-21	01-Aug-21	01-Sep-21	01-Oct-21	01-Nov-21	01-Dec-21	01-Jan-22
0-30 days	299	300	377	451	433	385	404	489	130	229	324	695	979	1110	1085	619	600	601	619	601	619	600	602	658	601	619	601	619	600	601	619	601	619	600
30-60 days	314	286	333	379	419	419	369	373	755	373	530	372	660	944	1075	1065	599	581	581	599	581	599	581	581	639	581	599	581	599	568	347	229	90	20
60-90 days	763	424	373	323	380	408	350	340	392	688	397	453	404	660	948	1075	1049	599	581	581	599	581	599	581	581	639	569	390	195	0	0	0	0	0
90-120 days	445	754	530	314	305	353	367	266	220	211	515	272	423	211	156	315	647	945	599	581	508	471	411	337	226	67	0	0	0	0	0	0	0	0
120 days +	1396	1196	1238	1279	835	608	338	305	268	266	319	426	127	0	0	0	0	0	161	45	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	3217	2960	2851	2746	2372	2173	1828	1773	1765	1767	1767	2218	2593	2926	3263	3073	2896	2725	2541	2407	2308	2252	2192	2156	2046	1905	1769	1590	1395	1168	966	830	709	620

Customer Journey

Median

Days	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21
PAP	171	180	190	185	181	154	134	129	115	100	96	153	123	100	99	104	114	122	126	120	116	114	110	106	99	92	86	76	66	55	46	39	34
Low	52	52	49	41	50	54	58	66	63	76	75	56	56	56	56	56	56	56	56	56	56	56	56	56	56	56	56	56	56	56	56	56	56
Medium	88	94	100	88	94	89	101	98	101	118	109	96	96	96	96	96	96	96	96	96	96	96	96	96	96	96	96	96	96	96	96	96	96
High	245	191	219	291	241	246	331	231	276	333	377	265	265	265	265	265	265	265	265	265	265	265	265	265	265	265	265	265	265	265	265	265	265
Total Low	223	232	239	226	231	208	192	195	178	176	171	209	179	156	155	160	170	178	182	176	172	170	166	162	155	148	142	132	122	111	102	95	90
Total Medium	259	274	290	273	275	243	235	227	216	218	205	249	219	196	195	200	210	218	222	216	212	210	206	202	195	188	182	172	162	151	142	135	130
Total High	416	371	409	476	422	400	465	360	391	433	473	418	388	365	364	369	379	387	391	385	381	379	375	371	364	357	351	341	331	320	311	304	299

Mode

Days	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21
PAP	166	182	193	183	172	156	132	126	104	134	116	188	121	101	99	104	114	122	126	120	116	114	110	106	99	93	86	76	66	55	46	39	34
Low	60	58	54	51	55	58	64	72	70	81	82	61	61	61	61	61	61	61	61	61	61	61	61	61	61	61	61	61	61	61	61	61	61
Medium	99	105	107	106	105	101	114	107	111	132	116	108	108	108	108	108	108	108	108	108	108	108	108	108	108	108	108	108	108	108	108	108	108
High	209	211	225	278	238	244	331	260	279	267	320	256	256	256	256	256	256	256	256	256	256	256	256	256	256	256	256	256	256	256	256	256	256
Total Low	226	240	247	234	227	214	196	198	174	215	198	249	182	162	160	165	175	183	187	181	177	175	171	167	160	154	147	137	127	116	107	100	95
Total Medium	265	286	300	290	278	257	246	233	215	266	232	296	229	209	207	212	222	230	234	228	224	222	218	214	207	201	194	184	174	163	154	147	142
Total High	375	393	418	461	410	400	463	386	383	401	436	444	377	357	355	360	370	378	382	376	372	370	366	362	355	349	342	332	322	311	302	295	290

Mean

Days	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21
PAP	170	175	195	181	181	148	134	125	88	98	154	154	126	100	100	102	117	124	127	120	116	114	109	107	98	92	82	78	67	53	44	41	34
Low	70	10	63	37	22	56	43	56	49	21	22	56	56	56	56	56	56	56	56	56	56	56	56	56	56	56	56	56	56	56	56	56	56
Medium	152	109	109	70	192	67	168	147	87	104	77	76	76	76	76	76	76	76	76	76	76	76	76	76	76	76	76	76	76	76	76	76	76
High	-	-	331	362	43	344	400	231	-	473	-	331	331	331	331	331	331	331	331	331	331	331	331	331	331	331	331	331	331	331	331	331	331
Total Low	240	185	258	218	203	204	177	181	137	119	176	210	182	156	156	158	173	180	183	176	172	170	165	163	154	148	138	134	123	109	100	97	90
Total Medium	322	284	304	251	373	215	302	272	175	202	231	230	202	176	176	178	193	200	203	196	192	190	185	183	174	168	158	154	143	129	120	117	110
Total High	-	-	526	543	224	492	534	356	-	571	-	485	457	431	431	433	448	455	458	451	447	445	440	438	429	423	413	409	398	384	375	372	365

APPENDIX RM 8

Maintenance of Quality

In April 2018, the Legal Ombudsman initiated a pilot model in Operations with the aim of improving both performance and quality. The model has been trialled and evaluated and has now being rolled out across the organisation as a whole.

The quality and feedback model provides an increased level of support for investigators, and focuses on the quality of an investigation from start to finish. This approach reduces the need for significant rework and ensures that service is provided with confidence that the outcome reached is fair and reasonable on every occasion. This approach also enables investigators to be provided with more detailed feedback, highlighting areas for development, and identifying best practice.

The model overlays the involvement of a supervising ombudsman throughout the process, and the investigator is required to seek approval from the ombudsman at key stages throughout the investigation to ensure that they have followed the correct process and that their reasoning is in line with the Legal Ombudsman's approach and guidance. The model comprises a number of different stages, whereby the number of checks required is reduced in a proportionate fashion in line with the investigator's performance and improving quality of work.

In addition, the organisation undertakes periodic reviews to establish the level of customer service being provided by investigators, along with reviews of the quality of decisions made by ombudsmen.

Improvements have been made in operational case holding as a result of extensive mapping and analysis of demand. The optimal level of case holding has been established to ensure that investigators can manage their workload whilst still producing the number of closures required to deliver performance in line with the business plan. Included in this is the design of a triage form, which provides an 'at a glance' view of complexity, key issues, and facilitates the identification and prioritisation of cases where appropriate. This system also allows for investigators to ensure that they can replace closed cases on a like for like basis – this was something which had previously hindered allocation and had led to unbalanced case holdings.

A Workload Management Tool, which brings together the optimal case holding and the workload management guidance issued in 2018, has been built. This tool requires investigators to proactively manage their cases and schedule their work appropriately. It also provides team leaders with greater visibility of cases where investigators may not be progressing the work and may require a steer or additional support.

Further guidance has been provided for managers to run 1:1's with investigators; the process and templates have been redesigned to ensure conversations with line managers are more impactful and support performance and delivery. It also encompasses behaviours and quality and supports the new approach of continuous conversations. This has been done with high levels of staff buy in and engagement at all levels. This helps to ensure consistency of experience for managers and investigators, and also supports the work being done by HR to help build a high-performance culture.

A comprehensive catalogue of training has been developed to support Operations and this supports the roll out of Quality and Feedback and more widely.

APPENDIX RM 9

Customer Journey in the Wider Sector

Overview of Ombudsman Sector

Although there are a number of ombudsman schemes operating in the UK, direct comparison in terms of performance and customer journey times is not possible. This is because each scheme operates under its own set of KPI's, and the depth and regularity of the performance information reported externally differs greatly between schemes.

The Legal Ombudsman has reviewed the available information in relation to a number of other ombudsman schemes. This has provided assurance that the improvements sought and the attainment of the End to End KPI would represent a strong performance in the context of ombudsman schemes.

Parliamentary and Health Service Ombudsman:

Performance in the Annual Report is reported in terms of cases closed in 91 days, 182 days and 365 days. The average case age at closure was 158 days at the end of 2018/19. This measure does not appear to include time spent awaiting allocation. The website reports that they aim to respond to initial contacts within 5 working days, and to allocations cases to investigators within 20 days but does not specify current performance against this measure.

- https://www.ombudsman.org.uk/annual-report-and-accounts-2018-2019
- https://www.ombudsman.org.uk/making-complaint/how-we-deal-complaints

Local Government and Social Care Ombudsman

Performance in the Annual Report is reported in terms of cases closed in 91 days, 182 days and 365 days. This measure does not appear to include time spent awaiting allocation, which was reported to be an average of 32 days against a target of 20. 99% of initial contacts were processed within 24 hours.

- https://www.lgo.org.uk/information-centre/about-us/our-performance/lgo-annual-reports

Northern Ireland Public Services Ombudsman

Performance in the Annual Report is reported in terms of substantive response to initial contact being made within 2 weeks, and full assessment and acceptance for investigation being carried out within 10 weeks. Investigations are measured in terms of the percentage of cages closed within 50 weeks of being allocated.

- https://nipso.org.uk/nipso/publications/reporting-on-our-work/

Financial Ombudsman Service

Performance in the Annual Report is reported in terms of cases closed in 90 days, 180 days, 270 days and 365 days. This measure does not appear to include time spent awaiting allocation, which is currently stated on the website to be around 4 months, with initial contacts being acknowledged within 2 weeks (4 months for PPO complaints).

- https://annualreview.financial-ombudsman.org.uk/
- https://www.financial-ombudsman.org.uk/consumers/expect/how-long-it-takes

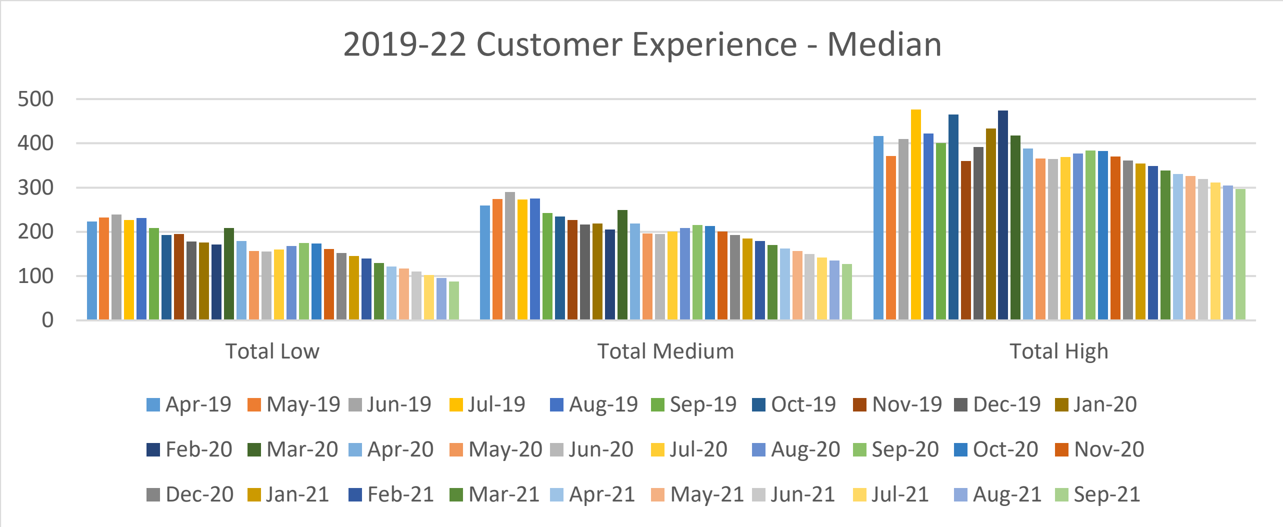
Housing Ombudsman

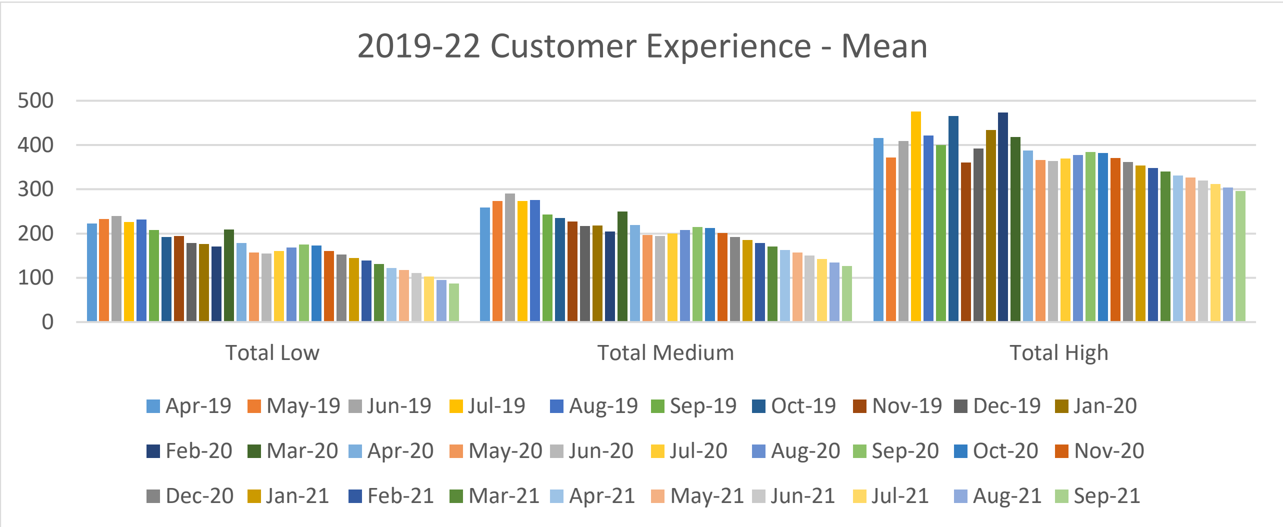
Performance in the Annual Report is reported in terms of cases closed in 90 days, 180 days, and 365 days. The average case age at closure was c. 200 days at the end of 2018/19. Time taken to respond to initial contact and/or allocate cases for investigation does not appear to be reported.

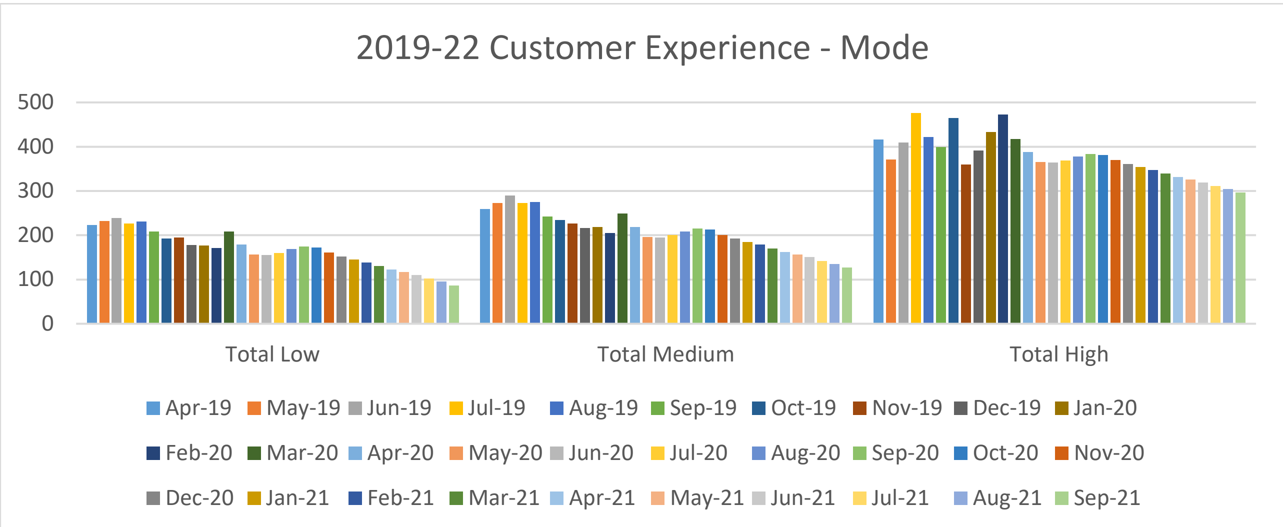
- https://www.housing-ombudsman.org.uk/2019/07/23/annual-report-2018-19-published/

APPENDIX RM 10

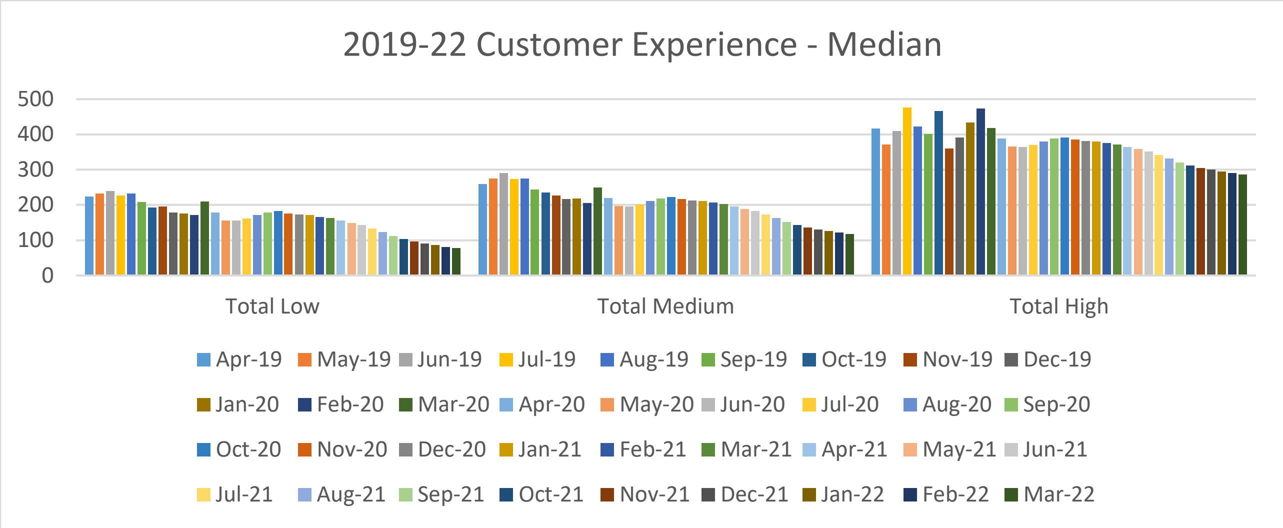
Programme 1B: Graphs showing Improvements to the Customer Journey Time showing Median, Mode and Mean

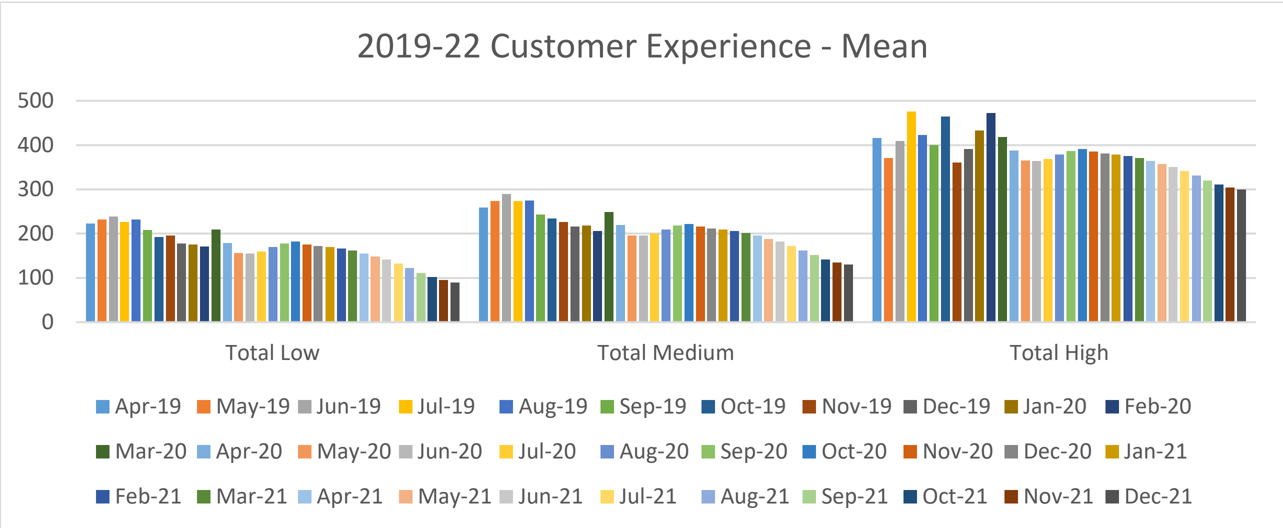


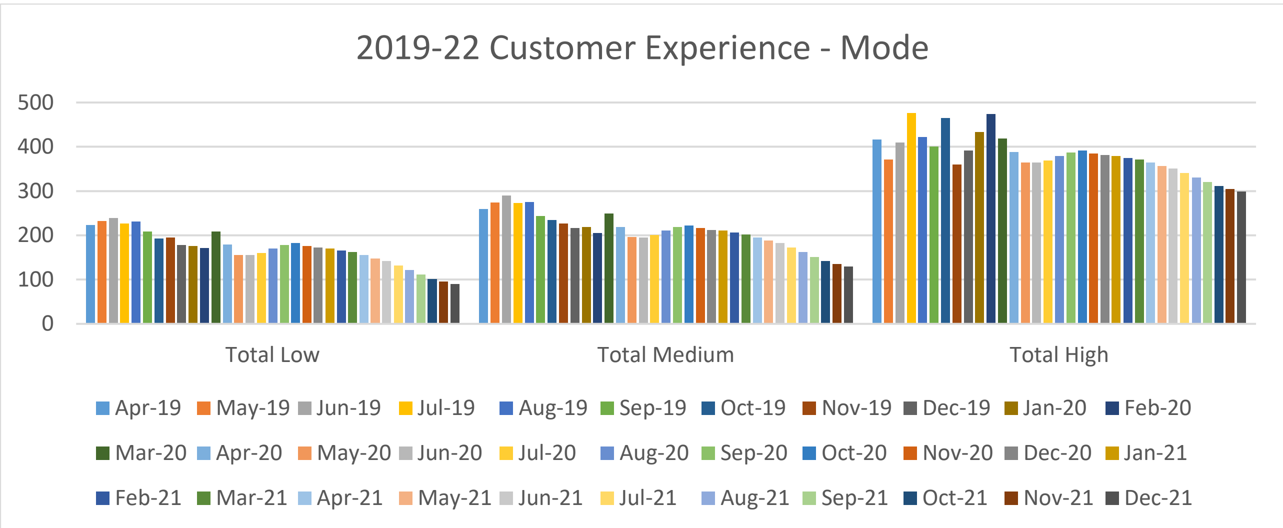




APPENDIX RM 11
Programme 1E: Graphs showing improvements to the Customer Journey Times by Median, Mode and Mean







APPENDIX RM 12

Risk Registers for Programmes 1B and 1E

SEE SEPARATE FILE

Programme 1E

Business Unit	Risk Reference	Risk Description	Effects	Root Causes	Risk Appetite	Current Controls	Likelihood	Impact	Rating	Difference between Opt A & B	Additional (Planned) Controls	Update against planned controls	Likelihood	Impact	Rating	Timescales	Owner
Finance	R01e	Cost of additional staffing may be higher than provided in the budget	Savings may need to be made elsewhere in order to remain within budget	Higher staff turnover than anticipated; having to offer higher-than-anticipated salaries in order to attract and retain suitable staff	Open	Budget monitoring HR monitoring of recruitment and staff turnover	2	2	4	0	Detailed monthly budget monitoring		2	2	4	Q1 of 20/21	Head of Finance
HR	R02e	Lack of desk space and meeting room availability within LeO office	* Teams dispersed across two floors to allow new starters * Reduced level of team and staff moral and engagement due to teams not being sat together * New starters not having a room for induction	* Limited desk availability, which will be further impeded with tranches of new starters over 20/21 * Lack of meeting room availability due to prior bookings	Open	* Encourage staff to work from home (WFH) where possible to allow new starters access to desktops and desks * Ensure all staff who do WFH have the correct equipment and tools to allow them to complete their job. * Ensure meeting rooms for training are booked in advance * Use of other Government Buildings rooms (cost implication)	3	2	6	-2	* Seating plans have been produced for all areas of LeO in line with new starters joining. This has allowed a number of desks to become vacant / hot desks if required. * Reconfigure desk space to increase capacity * Review seating plan and amend accordingly ahead of April new starter intake. * Increase proportion of homeworking days	Seating plan (Jan 2020) has been communicated to all staff	2	2	4	Q2 20/21	HR / Facilities
HR	R03e	Inability to recruit the required number of investigators, paralegals and Ombi's to decrease the Pre-Assessment Pool (PAP) and case closures by March 2021	* Inability to service demand * Inability to fully service QF model * Increased pressure on existing staff * Reputational damage	* Over saturation through continual advertising * Lack of local talent pool / increased local competition * Lack of HR resource to enable effective recruitment to take place	Cautious	* Review current recruitment profile vs demand of case closures and PAP to understand realistic FTE figure.	3	2	6	-6	* Stagger recruitment over an additional 6 months to fulfil targets, but at a lower cost * Additional recruitment resource * Additional attraction routes i.e. job fair, advertising. * Defined workforce plan strategy to predict FTE profile		2	2	4	Q1 20/21	Head of HR
HR	R04e	Inability to control the cultural and management impact of the significant increase in new employees required to decrease the Pre-Assessment Pool (PAP) and case closures by March 2021	* Inability to successfully integrate new staff demand * Inability to fully service QF model * Increased pressure on existing staff	* Line management focus spread too thinly * Speed of change destabilising * Lack of trust and engagement	Cautious	* More managerial level recruitment to help embed culture * Listen to employee voice, define and drive the required behaviours	3	3	9	-3	* Increasing support and development for existing operational staff * Coaching for senior management and targeted recruitment		2	2	4	Q3 20/21	Head of HR
HR	R05e	Run-down of resources at a point when the business is maintaining performance levels for a period of time	* Dip in morale and engagement as less closures will be required * Displaced people / redundancy	* Improved productivity of Operational staff, which has brought down case closures and PAP. * Supply is greater than demand	Open	* Review recruitment strategy i.e. fixed term contracts as opposed to permanent contracts * Natural attrition	2	2	4	-2	* LeO Establishment strategy required * Defined workforce plan with assumption modelling built in		1	2	2	Q4 20/21	Head of HR
ICT	R06e	Failure to meet demands of IT equipment for new starters	* Business unable to meet its performance targets * Reputational damage to LeO with its key stakeholders * Additional costs incurred for licenses (e.g. buying longer licences for temporary staff)	* Uncoordinated requests for new starters. * Not enough Laptops in LeO's stock and long lead time for ordering new stock. * Lack of IT equipment (laptops and headphones) to support the tranche of new starters	Cautious	* Agree aggressive purchase agreement to commence spend early - this is underway	2	3	6	0	* Ensure that IT are a fully costed part of workforce planning - coordinated with Operational teams. * Ensure start dates give advance warning to IT, with dates that make efficient use of license periods (i.e. start dates close to start of month not end so that we don't spend unnecessarily)		2	2	4	Q4 of 2019/20	Head of ICT
ICT	R07e	Unable to support the increased teams	* Current support staff unable to maintain service levels to organisation	* Too many staff to support for the size of the IT team	Cautious	* Monitor service levels proactively	2	3	6	0	* Make use of 'surgeries' to pre-empt issues. * Recruit extra staff * Monitor support queries and publish 'top 5' issues and fixes each week (NIB, Tips on screens, Screen savers)		2	2	4	Q1 - Q4	Head of ICT
ICT	R08e	Bandwidth of current IT infrastructure not fit for purpose	* New and existing staff not being able to access CMS / workload management to progress their cases	* Infrastructure not fit for purpose with increased levels of staffing	Cautious	* Support contract (with monitoring) for Infrastructure and CMS with Microsoft Gold Partner * All systems in patching regime * All key infrastructure components modern and under warranty * Risk assessment and rollback planning required for all changes	2	3	6	0	* Ensure telephony suppliers implement proactive monitoring. * Implement internal checks of key infrastructure along side security checks		1	4	4	Q1-Q4	Head of ICT
Operations	R09e	Inability to sufficiently resource Operational Delivery recruitment, without impacting on performance and time out of the business	* Resource levels dip to support recruitment campaigns * Performance levels drop, which then adds pressure to existing staff * Customer satisfaction dips	* Bespoke recruitment campaigns which cover assessment centres and interviews, all of which require Operational resources out of the business to ensure recruitment is effective to LeO. * Need to keep staffing of recruitment processes in house because of cost of outsourcing * High level of attrition	Cautious	* Significant recruitment for this programme has already been undertaken * Reduced levels of recruitment at investigator level reduces need for significant recruitment in other cohorts.	3	4	12	-8	* Support from corporate colleagues in running recruitment campaigns - less pressure on Ops. * Review the benefits of outsourcing recruitment to an external provider * Work with HR colleagues to develop a recruitment planner to ensure, where possible, that timings of recruitment exercises are factored into operational delivery plans.		3	3	9	Q1-Q2 20/21	Head of Operations
Operations	R10e	Inability to sufficiently resource Operational Delivery induction, without impacting on performance and time out of the business	* Resource levels dip to support induction / training * Performance levels drop, which then adds pressure to existing staff	* Induction is highly resource intensive with delivery of sessions spread across a broad cohort of individuals * Limited skill set of staff who can support and deliver induction * Classroom based and time intensive - not sophisticated to deliver blended learning	Cautious	* Reduced levels of recruitment reduces size and frequency of induction sessions * Structure and format of induction reviewed to reduce impact on operational staff. * Consistent cohort of trainers who are familiar with content of induction sessions * Use Corporate colleagues to support (non Operational functions) * Using resource which minimizes impact on overall delivery	3	3	9	-6	* Consider feasibility of upskilling current Knowledge Officer to take on responsibility for delivery of further non-operational elements of induction * Consider viability of dedicated internal training resource for operational elements of induction * Review format and method of delivery of induction sessions		2	3	6	Q1-Q2 20/21	Head of Operations
Operations	R11e	Current induction process does not provide operational staff with the skills required to be 'on the job' ready after induction	* More pressure on existing staff, TL's and Ombi's to support new starters following induction * New starters do not feel 'job ready' after completing induction * Performance levels drop to support new starters * Re-shuffling of teams to enable a mix of experienced and new starters - constant change.	* No bespoke training/induction defined in relation to on the job training. * Induction schedules out of date for certain operational cohorts * Size of cohorts too big for investigator intakes * Trainers not suitable to deliver training * Significant gaps between induction sessions being delivered and learning being applied in practice	Cautious	* Structure and format of induction reviewed to reduce cohort sizes and therefore maximise impact * Review of new starter feedback forms to identify scope to improve induction processes * QAF / L1 ombi support ongoing after induction * Consistent staff delivering training	3	4	12	-4	* New induction to be defined, which looks at 'real life' specific cases at each stage to enable theory to be put into practice.		3	3	9	Q1-Q2 20/21	Head of Operations

Business Unit	Risk Reference	Risk Description	Effects	Root Causes	Risk Appetite	Current Controls	Likelihood	Impact	Rating	Difference between Opt A & B	Additional (Planned) Controls	Update against planned controls	Likelihood	Impact	Rating	Timescales	Owner
Operations	R12e	Failure to keep pace with the customer demand with a resultant drop in customer satisfaction levels	* Increased backlogs * Reputational damage * Increased volume of service complaints relating to delay	* Insufficient staff to deal with case closures and reducing the PAP * Reduced level of recruitment reduces resilience to cope with absence	Cautious	* Cohort of caseworkers brought into the business to help reduce backlogs	5	4	20	0	* Consider a review of the processes to improve efficiencies and implement if options are viable. * Recruitment of additional operational staff		4	4	16	Q1-Q2 20/21	Head of Operations
Operations	R13e	Cohort of paralegals not providing the business with the efficiencies as originally first planned	* Backlogs remain * Additional pressure on existing staff to reach optimum performance targets *Adverse impact on customer service	* Assumption made on a theory which hadn't been tested * Streamlined process does not provide anticipated efficiencies * Skill set not available in the market	Open	*Designated L2 resource *GET resource deployed to streamline workloads *Commoditized process *Quality Control *Limited risk casework	5	3	15	3	* Continued learning from initial cohort * Consider if improvement can be achieved by increasing numbers * Review profile of current cohort to determine if employee profile is correct and recruit additional / alternative staff accordingly * Consider whether ongoing investment in model is viable		5	2	10	Q1 20/21	Head of Operations
Operations	R14e	Lack of Ombudsman in the business to support an influx of new starters as well as existing staff	*Delays in process as existing resource unable to cope with workload *Increased reliance in L2 Ombudsman to deliver L1 workload with resultant increased reliance on pool resource *Increase in wait time for ombudsman decisions *Performance and morale start to drop with resultant increase in attrition at ombudsman level	* Lead time for external recruitment of Ombudsmen means unlikely to be recruited an in place to support intakes of new starters * Lack of L2 Ombi resource in the external market, therefore these will come from the L1's, which then has a domino effect on the investigators / TL's etc. * Competitive job market tempting existing ombudsmen away and making sourcing new/replacement staff challenging.	Open	* Recruitment strategy for Ombudsman * Succession planning * Use of pool ombudsmen resource to cover demand and free up existing ombudsmen	3	3	9	0	* Liaise with other Ombudsman services with the potential of running a National recruitment Campaign *Consider remote workers *Using any budgetary shortfall at ombudsman level to fund use of pool ombudsmen		3	2	6	Q1 20/21	Head of Operations
Operations	R15e	Leadership ability/capacity to manage probationers in sufficient numbers	*Poor performing staff *Higher attrition *Low Morale *Poor customer service *Effect on existing teams	* Volume of probationary staff across a number of staff cohorts * Experience levels of Line Managers at all levels * Team Leader cohort with a relative lack of experience in role * Significant non-operational demands on time	Open	*Improved MI and support tools (WLMT) *Increased HR support *Buddy support *Increased support from Ombudsman cohort	4	4	16	0	*Consider a review of TL leadership development *Seek further efficiencies within management tools (MI, BI) *Better use of the leadership team *Mentor / coaching programme *Recruitment of additional Team Leaders and Ops Managers (subject to budget)		4	3	12	Q1-Q2 20/21	Head of Operations
Operations	R16e	Need to change the balance of investigator case holding to address variations of case complexity	*Adverse impact on KPIs *Morale * Need to review balance of case holdings increasing focus on FR2 cases *Customer Journey time longer *RC10 redeployment	* Paralegals and RC10 taking and closing FR1s * Closure profile skewing the ratio of cases according to complexity	Open	*application of WLMT and other management interventions to ensure cases progressed appropriately to maintain balance * Enhanced MI to provide greater oversight of case progression and closure profiles	4	3	12	0	*Consider the viability of re-evaluating our triage methodology *Consider the viability of changing the focus of cohorts of operational staff *Consider providing L1 Ombudsmen with case holding * Comms strategy around addressing case holding balance		3	3	9	Q1-Q3 20/21	Head of Operations
Operations Transformation	R17e	Inability for Ops Trans to deliver the BP priorities	* Inability to provide support to business * Inability to design/deliver improvement initiatives	* Level of input required from Ops Trans which is derived from Ops delivery priorities. * Mitigation actions from Ops Delivery risks require high level of Ops Trans input	Open	None	3	3	9	0	* Monitor on a regular basis and adjust priorities accordingly * Proposed move to MS Planner to enable better planning of work		3	3	9	Ongoing	Head of Ops Trans

	Impact
1	No (or very limited) impact to LeO's business or reputation, or to any individual customer or stakeholder
2	Minor impact on LeO's reputation (or that of any customer or stakeholder) or very short-term (hours) inconvenience to LeO's business
3	Moderate impact to LeO's reputation (or that of any customer or stakeholder) or a moderate inconvenience (days) to LeO's business
4	Significant impact to LeO's reputation (or that of any customer or stakeholder) or a significant inconvenience (weeks) to LeO's business
5	Severe impact to LeO's reputation (or that of any customer or stakeholder) or a significant inconvenience (months) to LeO's business

	Likelihood
1	0-5% Very unlikely
2	6-20% Unlikely
3	21-50% Possible
4	51-80% Probable
5	81%- 99.9% Almost certain

Risk Score
Colour indicated within risk bar

IMPACT	1	2	3	4	5
5	5	10	15	20	25
4	4	8	12	16	20
3	3	6	9	12	15
2	2	4	6	8	10
1	1	2	3	4	5

likelihood

Appetite	Descriptions
Averse	Avoidance of risk and uncertainty in achievement of key deliverables or initiatives is paramount. Activities undertaken will only be those considered to carry virtually no inherent risk.
Minimalist	Predilection to undertake activities considered to be very safe in the achievement of key deliverables or initiatives. Activities will only be taken where they have a low degree of inherent risk. The associated potential for reward / pursuit of opportunity is not a key driver in selecting activities.
Cautious	Willing to accept / tolerate a degree of risk in selecting which activities to undertake to achieve key deliverables or initiatives, where we have identified scope to achieve significant reward and/or realise an opportunity. Activities undertaken may carry a high degree of inherent risk that is deemed controllable to a large extent.
Open	Undertakes activities by seeking to achieve a balance between a high likelihood of successful delivery and a high degree of reward and value for money. Activities themselves may potentially carry, or contribute to, a high degree of residual risk.
Hungry	Eager to be innovative and choose activities that focus on maximising opportunities (additional benefits and goals) and offering potentially very high reward, even if these activities carry a very high residual risk.

Programme 1B

Business Unit	Risk Reference	Risk Description	Effects	Root Causes	Risk Appetite	Current Controls	Likelihood	Impact	Rating	Difference between Opt A & B	Additional (Planned) Controls	Update against planned controls	Likelihood	Impact	Rating	Timescales	Owner
Finance	R01b	Cost of additional staffing may be higher than provided in the budget	*Savings may need to be made elsewhere in order to remain within budget	Higher staff turnover than anticipated; having to offer higher-than-anticipated salaries in order to attract and retain suitable staff	Open	* Budget monitoring HR monitoring of recruitment and staff turnover	2	2	4	0	Detailed monthly budget monitoring		1	1	1	Q1 of 20/21	Head of Finance
HR	R02b	Lack of desk space and meeting room availability within LeO office	* Teams dispersed across two floors to allow new starters * Reduced level of team and staff moral and engagement due to teams not being sat together * New starters not having a room for induction	* Limited desk availability, which will be further impeded with tranches of new starters over 20/21 * Lack of meeting room availability due to prior bookings	Open	* Encourage staff to work from home (WFH) where possible to allow new starters access to desktops and desks * Ensure all staff who do WFH have the correct equipment and tools to allow them to complete their job. * Ensure meeting rooms for training are booked in advance * Use of other Government Buildings rooms (cost implication)	4	2	8	2	* Seating plans have been produced for all areas of LeO in line with new starters joining. This has allowed a number of desks to become vacant / hot desks if required. * Review seating plan and amend accordingly ahead of April new starter intake. * Staggered recruitment so less demand on big rooms	Seating plan (Jan 2020) has been communicated to all staff	3	2	6	Q2 20/21	HR / Facilities
HR	R03b	Inability to recruit the required number of investigators, Ombi's and paralegals to decrease the Pre-Assessment Pool (PAP) and case closures by March 2021	* Inability to service demand * Inability to fully service QF model * Increased pressure on existing staff * Reputational damage	* Over saturation through continual advertising * Lack of local talent pool / increased local competition * Lack of HR resource to enable effective recruitment to take place	Cautious	* Review current recruitment profile vs demand of case closures and PAP to understand realistic FTE figure. * Minimise the impact by staggering recruitment over the additional 6 months would free up resources	4	3	12	6	* Additional recruitment resource for a period of 6 months to support * Additional attraction routes i.e. job fair, advertising. * Defined workforce plan strategy to predict FTE profile		3	3	9	Q1 20/21	Head of HR
HR	R04b	Inability to control the cultural and management impact of the significant increase in new employees required to decrease the Pre-Assessment Pool (PAP) and case closures by March 2021	* Inability to successfully integrate new staff demand * Inability to fully service QF model * Increased pressure on existing staff	* Line management focus spread too thinly * Speed of change destabilising * Lack of trust and engagement	Cautious	* More managerial level recruitment to help embed culture * Listen to employee voice, define and drive the required behaviours	3	4	12	3	* Increasing support and development for existing operational staff * Coaching for senior management and targeted recruitment		3	3	9	Q3 20/21	Head of HR
HR	R05b	Run-down of resources at a point when the business is maintaining performance levels for a period of time	* Dip in morale and engagement as less closures will be required * Displaced people / redundancy	* Improved productivity of Operational staff, which has brought down case closures and PAP. * Supply is greater than demand	Open	* Review recruitment strategy i.e. fixed term contracts as opposed to permanent contracts * Natural attrition	2	3	6	2	* LeO Establishment strategy required * Defined workforce plan with assumption modelling built in		1	3	3	Q4 20/21	Head of HR
ICT	R06b	Failure to meet demands of IT equipment for new starters	* Business unable to meet its performance targets * Reputational damage to LeO with its key stakeholders * Additional costs incurred for licenses (e.g. buying longer licences for temporary staff)	* Uncoordinated requests for new starters. * Not enough Laptops in LeO's stock and long lead time for ordering new stock. * Lack of IT equipment (laptops and headphones) to support the tranche of new starters	Cautious	* Agree aggressive purchase agreement to commence spend early - this is underway	2	3	6	0	* Ensure that IT are a fully costed part of workforce planning - coordinated with Operational teams. * Ensure start dates give advance warning to IT, with dates that make efficient use of license periods (i.e. start dates close to start of month not end so that we don't spend unnecessarily)		2	2	4	Q4 of 2019/20	Head of ICT
ICT	R07b	Unable to support the increased teams	* Current support staff unable to maintain service levels to organisation	* Too many staff to support for the size of the IT team	Cautious	* Monitor service levels proactively	2	3	6	0	* Make use of 'surgeries' to pre-empt issues. * Recruit extra staff * Monitor support queries and publish 'top 5' issues and fixes each week (NIB, Tips on screens, Screen savers)		2	2	4	Q1 - Q4	Head of ICT
ICT	R08b	Bandwidth of current IT infrastructure not fit for purpose	* New and existing staff not being able to access CMS / workload management to progress their cases	* Infrastructure not fit for purpose with increased levels of staffing	Cautious	* Support contract (with monitoring) for Infrastructure and CMS with Microsoft Gold Partner * All systems in patching regime * All key infrastructure components modern and under warranty * Risk assessment and rollback planning required for all changes	2	3	6	0	* Ensure telephony suppliers implement proactive monitoring. * Implement internal checks of key infrastructure along side security checks		1	4	4	Q1-Q4	Head of ICT
Operations	R09b	Inability to sufficiently resource Operational Delivery recruitment, without impacting on performance and time out of the business	* Resource levels dip to support recruitment campaigns * Performance levels drop, which then adds pressure to existing staff * Customer satisfaction dips	* Bespoke recruitment campaigns which cover assessment centres and interviews, all of which require Operational resources out of the business to ensure recruitment is effective to LeO. * Need to keep staffing of recruitment processes in house because of cost of outsourcing * High level of attrition	Cautious	* Revised recruitment schedule, which now includes 2 assessment centres a day, which means less resource out of the business. * Current support of HR colleagues to assist with assessment centres * Reviewed the effectiveness of Ops recruitment	5	4	20	8	* Consider the viability of staggered recruitment campaigns over the next FY + 6 months to support the delivery of 600 cases in PAP and case closures as opposed to a 'big bang' approach at two points of the year. * Support from corporate colleagues in running recruitment campaigns - less pressure on Ops. * Review the benefits of outsourcing recruitment to an external provider * Work with HR colleagues to develop a recruitment planner to ensure, where possible, that timings of recruitment exercises are factored into operational delivery plans.		4	2	8	Q1-Q2 20/21	Head of Operations
Operations	R10b	Inability to sufficiently resource Operational Delivery induction, without impacting on performance and time out of the business	* Resource levels dip to support induction / training * Performance levels drop, which then adds pressure to existing staff	* Induction is highly resource intensive with delivery of sessions spread across a broad cohort of individuals * Limited skill set of staff who can support and deliver induction * Classroom based and time intensive - not sophisticated to deliver blended learning	Cautious	* Consistent cohort of trainers who are familiar with content of induction sessions * Format and schedule of induction now set and consistenly implemented * Use Corporate colleagues to support (non Operational functions) * Using resource which minimizes impact on overall delivery	5	3	15	6	* Consider feasibility of upskilling current Knowledge Officer to take on responsibility for delivery of further non-operational elements of induction * Consider viability of dedicated internal training resource for operational elements of induction * Review format and method of delivery of induction sessions		4	3	12	Q1-Q2 20/21	Head of Operations
Operations	R11b	Current induction process does not provide operational staff with the skills required to be 'on the job' ready after induction	* More pressure on existing staff, TL's and Ombi's to support new starters following induction * New starters do not feel 'job ready' after completing induction * Performance levels drop to support new starters * Re-shuffling of teams to enable a mix of experienced and new starters - constant change.	*Induction classroom based rather than specific to on the job training. * Induction schedules out of date for certain operational cohorts * Size of cohorts makes delivery of messages challenging * Trainers not suitable to deliver training * Significant gaps between induction sessions being delivered and learning being applied in practice	Cautious	* Review of induction programme is ongoing * New starter feedback forms to identify scope to improve induction processes * QAF / L1 ombi support ongoing after induction * Consistent staff delivering training	4	4	16	4	* New induction to be defined, which looks at 'real life' specific cases at each stage to enable theory to be put into practice.		3	4	12	Q1-Q2 20/21	Head of Operations
Operations	R12b	Failure to keep pace with the customer demand with a resultant drop in customer satisfaction levels	* Increased backlogs * Reputational damage * Increased volume of service complaints relating to delay	* Insufficient staff to deal with case closures and reducing the PAP * High influx of new starters requiring additional support from peers, which impacts on performance	Cautious	* Cohort of caseworkers brought into the business to help reduce backlogs *Rolling recruitment to keep ahead of attrition	5	4	20	0	* Consider a review of the processes to improve efficiencies and ifmplement if options are viable. * Recruitment of planned additional operational staff		3	3	9	Q1-Q2 20/21	Head of Operations
Operations	R13b	Cohort of paralegals not providing the business with the efficiencies as originally first planned	* Backlogs remain * Additional pressure on existing staff to reach optimum performance targets *Adverse impact on customer service	* Assumption made on a theory which hadn't been tested * Streamlined process does not provide anticipated efficiencies * Skill set not available in the market	Open	*Designated L2 resource *GET resource deployed to streamline workloads *Commoditized process *Quality Control *Limited risk casework	4	3	12	-3	* Continued learning from initial cohort * Consider if improvement can be achieved by increasing numbers * Review profile of current cohort to determine if employee profile is correct and recruit additional / alternative staff accordingly * Consider whether ongoing investment in model is viable		3	2	6	Q1 20/21	Head of Operations

Business Unit	Risk Reference	Risk Description	Effects	Root Causes	Risk Appetite	Current Controls	Likelihood	Impact	Rating	Difference between Opt A & B	Additional (Planned) Controls	Update against planned controls	Likelihood	Impact	Rating	Timescales	Owner
Operations	R14b	Lack of Ombudsman in the business to support an influx of new starters as well as existing staff	*Delays in process as existing resource unable to cope with workload *Increased reliance in L2 Ombudsman to deliver L1 workload with resultant increased reliance on pool resource *Increase in wait time for ombudsman decisions *Performance and morale start to drop with resultant increase in attrition at ombudsman level	* Lead time for external recruitment of Ombudsmen means unlikely to be recruited an in place to support intakes of new starters * Lack of L2 Ombi resource in the external market, therefore these will come from the L1's, which then has a domino effect on the investigators / TL's etc. * Competitive job market tempting existing ombudsmen away and making sourcing new/replacement staff challenging.	Open	* Recruitment strategy for Ombudsman * Succession planning * Use of pool ombudsmen resource to cover demand and free up existing ombudsmen	3	3	9	0	* Liaise with other Ombudsman services with the potential of running a National recruitment Campaign *Consider remote workers *Using any budgetary shortfall at ombudsman level to fund use of pool ombudsmen		3	2	6	Q1 20/21	Head of Operations
Operations	R15b	Leadership ability/capacity to manage probationers in sufficient numbers	*Poor performing staff *Higher attrition *Low Morale *Poor customer service *Effect on existing teams	* Volume of probationary staff across a number of staff cohorts * Experience levels of Line Managers at all levels * Team Leader cohort with a relative lack of experience in role * Significant non-operational demands on time	Open	*Improved MI and support tools (WLMT) *Increased HR support *Buddy support *Increased support from Ombudsman cohort	4	4	16	0	*Consider a review of TL leadership development *Seek further efficiencies within management tools (MI, BI) *Better use of the leadership team *Mentor / coaching programme *Recruitment of additional Team Leaders and Ops Managers (subject to budget) *Reduction in team sizes		4	3	12	Q1-Q2 20/21	Head of Operations
Operations	R16b	Need to change the balance of investigator case holding to address variations of case complexity	*Adverse impact on KPIs *Morale * Need to review balance of case holdings increasing focus on FR2 cases *Customer Journey time longer	* Paralegals and RC10 taking and closing FR1s * Closure profile skewing the ratio of cases according to complexity	Open	*application of WLMT and other management interventions to ensure cases progressed appropriately to maintain balance * Enhanced MI to provide greater oversight of case progression and closure profiles	4	3	12	0	*re-evaluate our triage methodology *Consider the viability of changing the focus of cohorts of operational staff *Consider providing L1 Ombudsmen with case holding		3	3	9	Q1-Q3 20/21	Head of Operations
Operations Transformation	R17b	Inability for Ops Trans to deliver the BP priorities	* Inability to provide support to business * Inability to design/deliver improvement initiatives	* Level of input required from Ops Trans which is derived from Ops delivery priorities. * Mitigation actions from Ops Delivery risks require high level of Ops Trans input	Open	None	3	3	9	0	* Monitor on a regular basis and adjust priorities accordingly * Proposed move to MS Planner to enable better planning of work		2	3	6	Ongoing	Head of Ops Trans

Meeting	LSB Board 26 March 2020	Agenda Item No. Paper No.	
Date of meeting		Time required	

Title	Final Budget 2020/21
Sponsor	
Status	

Executive summary

1. This report is one of series of 4 documents that support the OLC's Strategy for the period 2020/21 to 2022/23, these are the Road Map to Green, this Budget, the Business Plan and People Plan.
2. This report focuses on the Revenue and Capital Budgets for 2020/21, sets out the assumptions that underpin the Budget and considers relevant financial and business issues. In doing so the report seeks to reflect the LSB's draft and final Budget Acceptance criteria.
3. The relevant criteria are listed in Appendix B2.i and B2.ii and the required evidence appears in Appendices B3 to B10.
4. In line with the Road Map to Green revised the report presents two possible options for adoption by the OLC Board; these are:
5.
   a. Programme 1B implying a Total Budget of £14.949m (Outturn prices), an increase of £2.603m over the current year Budget of £12.346m. This to deliver c. 8,200 case closures by March 2021 and the Green End to End KPI by September 2021. The risk registers appearing at Appendix RM 12 of the Road Map to Green set out the risks for this programme.

   b. Programme 1E implying a Total Budget of £14.388m (Outturn prices), an increase of £2.042m over the current year Budget of £12.346m. This to deliver c. 7,850 case closures by March 2021 and the Green End to End KPI by December 2021. The risk registers appearing at Appendix RM 12 of the Road Map to Green set out the risks for this programme.
6. Programme 1B implies an increase of 19.56% to the Levy and Programme 1E implies an increase of 15.13%. These increases are inclusive of pay and other inflation so the real terms increase in the Levy is somewhat lower than is implied by the headline figures quoted here in each case. Both increases are for a defined period of time and in the following financial year the budget is expected to begin migration towards a base position.

Recommendation/action required: LSB Board is requested to select and **APPROVE** Programme 1B for adoption noting that this is the preferred option of the OLC Board.

OLC Budget 2020-21

VERSION: FINAL for LSB

Introduction

1. This report is one of series of 4 documents that support the OLC's Strategy for the period 2020/21 to 2022/23; these are the Road Map to Green, this Budget, the Business Plan and People Plan.
2. This report focuses on the Revenue and Capital Budgets for 2020/21, sets out the assumptions that underpin the Budget and considers relevant financial and business issues. In doing so the report seeks to reflect the LSB's draft and final Budget Acceptance criteria.
3. The relevant criteria are listed in Appendix B2.i and B2.ii and the required evidence appears in Appendices B3 to B12.
4. The timescale for finalising these matters is set out below.

Date	Activity	Status
24 October 2019	OLC agrees Draft Strategy, Business Plan and Budget Principles Report for Consultation	Complete
26 November 2019	LSB receive OLC Draft Budget Principles Report	Complete
15 December 2019	Start of Consultation	Complete
14 February 2020	End of Consultation	Complete
4 March 2020	OLC considers final Strategy, Business Plan and Budget	Complete
26 March 2020	Presentation of 2020/21 Budget to LSB for approval	Pending

5. The paper aligns with discussions at the regular Business Assurance Meetings with the Ministry of Justice (MoJ) and Legal Services Board (LSB), as well as discussions at the Senior Officials Meetings at which MoJ, LSB and LeO are all represented.

The Strategic Context

6. 2019/20 was the final year of the OLC's previous 3 year planning envelope. The updated Strategy for the period 2020/21 to 2022/23, together with the headline Business Plan and Draft Budget was subject to consultation between 15 December 2019 and 14 February 2020.

7. The Budget is structured to support delivery of the Strategic Objectives contained in the Strategy considered elsewhere in the document pack. These are;

   a. Improving the experience of our service for complainants and service providers while using our expertise to guide and add value to the complaints journey

   b. Increasing the transparency and impact of our casework to support greater access to justice

   c. Developing our service to ensure it is appropriate for the evolving legal sector

LeO – The Three Functions

8. The Legal Ombudsman provides three services, these are:

   a. Advice and Support to the people presenting c.110,000 contacts to the organization in each year.

   b. Feedback to the Sector; for example provision of the raw data on complaints to the service providers and the production of themed guidance to providers for specific area such as cybercrime and negligence, including training and professional briefings.

   c. The investigation and resolution or provision of decision on cases falling within LeO's jurisdiction and within the auspices of the Scheme formed under the Legal Services Act 2007.

9. The quantum of budget assigned to these functions is as follows:

Element	2019/20 £000	%	2020/21 1B £000	%	2020/21 1E £000	%
Advice & Support	1,253	10.1	1,242	8.3	1,262	8.8
Feedback	317	2.5	495	3.3	453	3.1
Investigation & Decision	10,776	87.4	13,211	88.4	12,674	88.1
Total	12,346	100.0	14,949	100.0	14,388	100.0

(Outturn prices)

The Road Map to Green

10. The Road Map to Green is the document that sets out the future course to bring the End to End KPI to Green by September 2021, or if preferred by decision makers, by December 2021. Improvements in customer experience are already being delivered and the overall objective is to bring further improvement to the Customer Journey Time across LeO's operations. The Road Map to Green provides monthly targets for all key parameters until the Green target is reached.

Financial Background

11. LeO is currently expecting to deliver a budget that is broadly balanced in the current financial year 2019/20.

Budget Summary

12. The Budget for 2020/21 is complicit with:
    a. A commitment to markedly reduce the Pre Assessment Pool to c. 600 files by September 2021, or if preferred by decision makers to the same figure by December 2021.
    b. Exploitation of the improvements brought to LeO's processes in recent years and sets future plans on the firm foundation of productivity targets based on what is already being achieved. In this way risks are reduced compared with the earlier versions of Road Map to Green.
    c. Review and improvement of contact handling and reduction of waiting time at the contact stage; establishment of a 5 day response time for 60% of cases and 100% within 14 days.
    d. Continuation through Programme 1B of the process to improve the customer journey time to a median figure of c. 90 days for low complexity cases, 130 days for medium complexity and 300 days for high complexity cases by September 2021.
    e. Provision of an alternative Programme 1E of an alternative schema to deliver the same KPI metrics by December 2021 at lower cost in year.
    f. Adopting a closure target of c. 8,200 cases in 2020/21 for Programme 1B compared with the 2019/20 target of 7,200, and increasing the budget from £12.346m in 2019/20 to £14,949m, an increase of £2.603m for 2020/21 only, the Budget to begin migration in the following year towards a position more reflective of standard demand. This implies an increase to the Levy in 2020/21 of 19.56%. This increase includes the impact of inflation.
    g. Adopting a closure target of c. 7,850 cases in 2020/21 for Programme 1E compared with the 2019/20 target of 7,200, and increasing the budget from £12.346m in 2019/20 to £14.388m, an increase of £2.042m for 2020/21 only, the Budget to begin migration in the following year towards a position more reflective of standard demand. This implies an increase to the Levy in 2020/21 of 15.13%. This increase includes the impact of inflation.

13. Detailed budget assumptions appear in Appendix B1. A functional analysis of the Budget appears at Appendix B10.

Capital

14. The OLC is provided with a separate delegation for Capital Expenditure directly from the Ministry of Justice. The following items are included in the bid for 2020/21.

Element	**Budget £000**	**Benefit**
End user devices	20	This relates to provision of devices to new users and keeping the pool of current devices (laptops, desktops and monitors) updated and in good order.
Management/Business Intelligence reporting	60	There is a need to improve the efficiency of internal reporting to further improve and deepen the insights into business operation. This will also enable improvements in feedback to the profession in terms of business insight of class issues arising from investigations.
Artificial Intelligence	50	LeO is presently working with the strategic CMS partner, Version 1, on a number of Proof-of-Concept AI projects. These explore potential ways to improve the flow of cases through our organisation and innovative ways to maximise efficiencies, thereby having a direct and positive impact on the customer experience.
Total	130	

List of Appendices

B1	- Budget Assumptions
B2.i	- Draft Budget Acceptance Criteria
B2.ii	- Final Budget Acceptance Criteria
B3	- Balanced Scorecard (January 2020)
B4	- Latest Risk Framework (January 2020)
B5	- Public Sector Equality Duty
B6	- Headcount Table
B7	- Note on Change to Budget following Consultation
B8	- Feedback to the Profession Enhancements
B9 `	- Note on Transformation
B10	- Budget Table

APPENDIX B1

Budget Assumptions

The key assumptions that have been made in setting the Final Budget are:

1. Forecast Resolution for case closures in 2020/21 is consistent with Road Map to Green targets.

2. The case mix remains at 1% high complexity, 31% medium and 68% low; these definitions reflect an internal standard of complexity and anecdotal evidence suggests a low complexity case in LeO is regarded as more complex elsewhere. Monitoring of these proportions indicates that the relative proportions are subject to minor variations on a short - medium term basis and are broadly stable in the medium – longer term.

3. Pay Award: in light of recent challenges recruiting and retaining staff in a highly competitive local market, a mean average increase of 2% is provided for.

4. The case fee to remain at £400 in 2020/21. If this were to change mid-year then a financial variance – positive or negative – would result commensurate with the increase or reduction that is envisaged. As a general rule any changes to the case fee which might be considered in the future would be best implemented at the start of a future business planning process.

5. Technical Assumptions
    - 2% increase for pay inflation.
    - £100,000 set aside as non-consolidated item for Bonus Scheme.
    - Headcount FTE adjusted to provide for higher case closures.
    - Inflation provided at 3% on relevant budgets.
    - Staff turnover assumed at 22% falling to 18% by the end September 2020.
    - No overtime budget is provided.
    - No contingency budget has been set aside in line with MoJ requirements.
    - Case fee income has been calculated using a conversion rate based on experience.
    - The Levy is presented as the balancing number as is usual practice.
    - Movement between Junior and Senior Pay Scales on average 12 months after initial recruitment.

APPENDIX B2.i

Draft Budget Acceptance Criteria	Coverage
Transparency about expected performance to date in the Balanced Scorecard 2019/20	Appendix B3
The Final version of the Road Map to Green including actions and timescales	See the Road Map to Green in this Budget Pack.
Risks and how they are being managed and mitigated for 2019/20	See the latest Risk Framework at Appendix B4 and Appendix RM12 to the Road Map to Green which contains Programme Risk Registers.
The amount and distribution of resources and amounts of income	Paragraph 9 of this report and Appendix B10
Key risks to delivering the plan for 2020/21	Appendix RM12 to the Road Map to Green Revised
Public Sector Equality Duty	Appendix B5
Stakeholder responses and changes	The covering report to the Strategy in this Budget Pack.
The estimated split of expenditure	Paragraph 9 of this report and Appendices B6 and B10.

APPENDIX B2.ii

Final Budget Acceptance Criteria issued by LSB

1. Transparency about performance, this should include:

    a. Analysis of actual performance to date against KPIs in the balanced scorecard in 2019/20 - **SEE APPENDIX B3.**

    b. As per the next version of the roadmap to green, the forecast performance trajectory on targets and performance, by month, at each stage of the process, from the present until sustainable acceptable performance has been achieved (to include, but not limited to, the size of the "pre-assessment pool" and timeliness KPIs) - **SEE ROAD MAP TO GREEN IN THIS BUDGET PACK.**

    c. Key actions and timeframes for delivery of the roadmap - **SEE ROAD MAP TO GREEN IN THIS BUDGET PACK.**

    d. Risks and how they are being managed and mitigated for 2019/20, particularly on how the quality of decisions is being safeguarded and monitored when targets are being considered - **SEE APPENDIX B4 OF THIS REPORT AND APPENDICES RM8 AND RM12 TO THE ROAD MAP TO GREEN.**

    e. A business case that clearly links any additional resources sought to the expected benefits including the impact on the roadmap if the budget were to be increased by smaller amounts **-SEE THE BUDGET PROPOSAL AND APPENDICES AT THE HEAD OF THIS BUDGET PACK.**

2. In accordance with Schedule 15 s23(3) of the Act, an indication of the amount and distribution of resources deployed in the operation of the ombudsman scheme and the amounts of income OLC expect to arise from the operation of the scheme. This should include a clear breakdown of:

    a. Staff costs and numbers broken down by function – for instance: enquiries; investigations; ombudsman team; corporate, others - **SEE APPENDIX B6 AND PARAGRAPH 9 OF THIS REPORT**.

    b. Explanation and justification of assumptions around the volumes predicted for the year, including data on the number of new cases in the current year to date. Please include information about how the organisation would respond (including in terms of its resourcing strategy in the climate of recruitment and spend controls) in the event of volume fluctuation - **SEE THE BUDGET PROPOSAL AND APPENDICES AT THE HEAD OF THIS BUDGET PACK.**

3. A summary of the key risks to delivering the Plan for 2020/21 and mitigation proposed, to include confirmation that sensitivity analysis of key assumptions has

been carried out (although the full numerical details of the analysis are not required) around - **SEE APPENDICES RM12 TO THE ROAD MAP TO GREEN, APPENDIX B4 OF THIS REPORT AND THE BUDGET PROPOSAL AT THE HEAD OF THIS BUDGET PACK.**

a. Any possible variation around the income prediction, for example (but not limited to) due to changes in volume (up or down), or if changes to the case fee structure are introduced in-year - **SEE APPENDIX B1 paragraph 4.**

b. The impact of variations in anticipated levels of case complexity - **SEE APPENDIX B1.**

4. A summary of where the budget has changed in response to stakeholder responses to consultation and a summary of any responses to that consultation. In particular, the submission should cover the outcome of discussions with MoJ and the extent to which the final budget takes account of MoJ's input. **SEE THE BUDGET PROPOSAL AT THE HEAD OF THIS BUDGET PACK.**

5. An explanation of how the budget application supports delivery of the OLC's Public Sector Equality Duty - **SEE APPENDIX B5.**

6. The estimated split of expenditure between - **SEE PARAGRAPHS 9 OF THIS REPORT.**

    a. handling complaints about legal services

    b. work to analyse and feed back to the sector learnings from handling complaints
    – please explain and justify this figure - **SEE APPENDICES B8 AND B9.**

    c. Anything else not covered by (a) and (b) – **SEE APPENDIX B10.**

Note

Inter alia LSB has also requested further information about (a) Feedback to the Profession and (b) Transformation in LeO. Material is provided at APPENDICES B8 and B9 respectively.

APPENDIX B3

THE BALANCED SCORECARD

Appendix 2: Monthly KPI and tolerance report – January 2020

External KPIs

Measure	KPI	Tolerance	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Tolerance exception report/additional info
			% cases concluded in new CMS (CEQ2a)											
90 days (legal – low)	65%	10% off target for more than 2 consecutive months or 2 months out of 4, in any category	89%	83%	83%	86%	86%	85%	77%	71%	73%	58%		Performance against 90 day closure targets has dipped below tolerance in month primarily as a result of significant numbers of case reallocations during Q3 and into Q4. Performance against 180 and 365 day KPIs for High complexity cases remains out of tolerance, although there has been an improvement in month for 180 day performance. Performance against the KPI for high complexity cases has been and will continue to be heavily influenced by the small number of cases with that complexity category.
90 days (legal – med)	40%		54%	50%	45%	52%	45%	49%	41%	42%	39%	30%		
90 days (legal – high)	0%		25%	11%	8%	13%	18%	0%	4%	14%	17%	15%		
180 days (legal -low)	90%		98%	99%	99%	98%	98%	99%	98%	98%	96%	96%		
180 days (legal - med)	85%		92%	91%	85%	85%	84%	90%	85%	89%	86%	79%		
180 days (legal - high)	33%		75%	56%	33%	20%	27%	30%	9%	24%	17%	38%		
365 days (legal – low)	99%		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%		
365 days (legal – med)	95%		100%	100%	98%	100%	100%	99%	99%	99%	96%	98%		
365 days (legal – high)	85%		100%	100%	83%	93%	88%	91%	57%	76%	75%	69%		
			% cases (all complexity) concluded (CEQ2a)											

Within 90 days	45%	10% off target for more than 2 consecutive months or 2 out of 4	48%	51%	50%	59%	67%	67%	63%	60%	61%	49%		**Outside Tolerance:**
Within 180 days	78%		63%	72%	70%	74%	84%	89%	89%	91%	89%	89%		
Within 365 days	95%		69%	78%	77%	83%	94%	96%	96%	97%	97%	98%		

Measure	KPI	Tolerance	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Tolerance exception report/additional info
			Turnover (PLC2a/b)											
Quarterly rolling annual turnover rate	Rolling annual turnover <18%	>2% above rolling annual target for two consecutive quarters	18.7	20.2	21.8	21.6	21.6	22.0	21.3	19.0	22.5			
			Unit Cost per case (IRE8) – 3 month rolling average											
Legal all complexities – net of estates income and gross costs	£1695	>£100 over target – 3 month rolling average	2118	2047	1952	1554	1574	1665	1657	1645	1921	2206		**Outside tolerance:**

Strategic Board performance measures

Measure	Tolerance	April	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Tolerance exception report/ additional info
		Work in Progress												
Legacy team remaining work in progress – within 10% of plan – (CEQ2e)	>10% off plan for more than 2 consecutive months	Actual 251 Plan 260 Var 3.5%	Actual 180 Plan 152 Var -18.4%	Actual 80 Plan 0 Var N/A	Actual 0 Plan 0 Var N/A	Actual 0 Plan 0 Var N/A	Actual 0 Plan 0 Var N/A	Actual 0 Plan 0 Var N/A	Actual 0 Plan 0 Var N/A	Actual 0 Plan 0 Var N/A	Actual 0 Plan 0 Var N/A			
Current work in progress – by case complexity – within 10% of plan (tolerance > 20% variation to plan for more than 2 consecutive months) – (CEQ2f)	>20% variation to plan for more than 2 consecutive months	Actual 1,164 Plan 1,345 Var 13.4%	Actual 1,288 Plan 1,382 Var 6.8%	Actual 1,363 Plan 1,228 Var 11.0%	Actual 1,572 Plan 1,515 Var 3.8%	Actual 1,674 Plan 1,501 Var 11.5%	Actual 1,729 Plan 1,428 Var 21.1%	Actual 1,722 Plan 1,382 Var 24.6%	Actual 1,667 Plan 1,438 Var 16.0%	Actual 1,675 Plan 1,349 Var 24.2%	Actual 1,599 Plan 1,332 Var 20.0%			

Monthly / quarterly variance between legal cases accepted and closed, by complexity <5% (tolerance > 10% variance for more than 2 consecutive months) – (IRE5)	>10% variance for more than two consecutive months	Cases Accepted 407 Plan 500 Var 18.6% Cases Resolved 477 Plan 500 Var 4.6%	Cases Accepted 529 Plan 536 Var 1.3% Cases Resolved 524 Plan 536 Var 2.2%	Cases Accepted 495 Plan 602 Var 17.8% Cases Resolved 526 Plan 602 Var 12.8%	Cases Accepted 712 Plan 583 Var 18.1% Cases resolved 639 Plan 583 Var 9.6%	Cases Accepted 619 Plan 602 Var 2.8% Cases resolved 610 Plan 602 Var 1.3%	Cases Accepted 616 Plan 649 Var -5.1% Cases resolved 613 Plan 649 Var -5.5%	Cases Accepted 619 Plan 602 Var 2.8% Cases resolved 621 Plan 602 Var 1.3%	Cases Accepted 486 Plan 678 Var -28.3% Cases resolved 567 Plan 678 Var -16.4%	Cases Accepted 465 Plan 527 Var -11.8% Cases resolved 472 Plan 527 Var -10.4%	Cases Accepted 394 Plan 664 Var -40.7% Cases resolved 481 Plan 664 Var -27.6%			Performance against this KPI, whilst still in tolerance, has been impacted in month by the significant number of case reallocations experienced during Q3 and into Q4. Case reallocations reduces investigator capacity to accept new cases for investigation. Whilst attrition levels remain high, the impact of case reallocations is expected to continue.

Measure	Tolerance	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Tolerance exception report / additional info
Budget Variance														
<1% variance against forecast – IRE9	Variance <2%	2.8% under	1.6% under	3.7% under	0.7% under	1.4% under	2.1% under	0.1% under	2.4% Under	0.3% under	0.5% under			
Quality														
<10% of tasks and decisions sent back by Ombudsman (IRE7)	>10% above target	5.6%	8.4%	7.9%	7.8%	6.6%	4.9%	7.3%	4.1%	5.9%	4.8%			

APPENDIX B4

LATEST RISK FRAMEWORK

Assurance Map Item	Owner	Last Reviewed
A01 Budget report	Head of Finance	Mar-20
A02 Three year strategy and business plan	Corporate Services Director	Mar-20
A03 Annual budget and corporate business plan	Corporate Services Director	Mar-20
A04 Annual functional business plans	Heads of Service/ Head Ombu	Currently being updated
A05 Internal audit reports	Heads of Service/ Head Ombu	Jul-19
A06 External audit report	Corporate Services Director	Jul-19
A07 Risk review reports	Corporate Services Director	Jun-19
A08 Strategic risk register	Corporate Services Director	Aug-19
A10 Scheme of delegations (organisation)	Chief Ombudsman	May-19
A11 Scheme of delegations (scheme)	Chief Ombudsman	May-19
A13 Employee handbook, code of conduct, corporate policies and how do I guidance	Head of HR	Nov-16
A18 Financial controls processes and monthly checks	Head of Finance	Sep-19
A19/20 Chief Ombudsman / Chief Executive Reports	Chief Ombudsman	
A21 Annual Penetration Test	Head of IT / SIRO	Aug 2019 Security Forum
A22 Annual Cyber Security Assessment	Head of IT / SIRO	Aug 2019 Security Forum
A23 SPF compliance return to MoJ	Head of IT / SIRO	
A24 Register of Assets	Head of Finance	Apr-19
A26 Data incident report	Head of IT / SIRO	Jul 2019 ARAC & Aug 2019 SF
A27 Information Asset Registers	Head of IT / SIRO	Aug 2019 Security Forum
A28 Annual Info Rights & Security report	Head of IT / SIRO	Apr/May 2019 ARAC
A29 Annual fraud and bribery report	Head of Finance	May-19
A30 Legal case summary	Legal Manager	
A31 Service Complaint Adjudicator annual report	Head Ombi Ops Support	Apr-19

Audit	Auditor	Timing (Q/Y)	Assurance Level	Owner
ICO Voluntary Audit	ICO	Q4 2018/19	Limited	Head of IT/SIRO
GDPR Compliance	GIAA	Q3 2018/19	Moderate	Head of IT/SIRO
Cyber Security	GIAA	Q2 2019/20	In flight	Head of IT/SIRO
Payroll	GIAA	Q1 2019/20	Draft report rec'd	Head of HR
Electronic Collection of Data	GIAA	Q2 2019/20	Moderate	Head Omb - Op Support
Operational Forecasting & Capacity Model	GIAA	Q1 2019/20	Limited	Head Omb - Op Support
Casework Compliance	GIAA	Q2 2019/20	Substantial	Head Omb - Op Support
Data Assurance	GIAA	Q3 2019/20	Not yet started	Head Omb - Op Support

Internal Audit Recommendations Tracker

Key

White = Open

Grey = Closed

Audit name	Date of Audit	Overall report rating	Action No	Action rating	Agreed action	Agreed date	Action owner	Date closed	Comments
Stakeholder Management	Nov-18	Low			Stakeholder Engagement Process should include Version Control and next review date to ensure continued accuracy.	Jul-19	Head of External Affairs	Jan-20	**Complete** **Jan 2020** This now has the version control/review date included. This is completed. This will be updated as part of the review of stakeholder engagement scheduled for Q4. **March 2019 update** Discussions have begun with SRA, BSB and CILEx to update the operational protocols and review dates and version information has been included in new drafts. CLC is outstanding but will be commenced in March 2019. **May 2019 update** The Stakeholder Engagement Process now contains version numbering although discussions with other parties are ongoing and unlikely to be agreed until at least Q2.
Implementation of EU GDPR Regulations	Mar-19	Medium			Embed the automated ability to fully honour the 'Right to be Forgotten' requests to permanently delete necessary data from systems.	Jul-19	Head of IT	Jan-20	**Complete - superceded by ICO report** •All areas relation to retention have been subsumed by the ICO Audit Recovery Project. •We have updated our retention policy, identified our information assets and the risks associated with them. •We are now implementing a process by which information that falls out of retention can be identified, confirmed by the security forum and management team and then deleted. •We have created an automated set of tools to remove CMS data (both from the Archive and the Live system). •We are currently testing these tools and have made the first request to delete unnecessary CMS1 data. The planned retention console for CMS2 will resolve this issue. **May 2019 update** The planned implementation of the retention console has been necessarily delayed to incorporate additional non-deletion instructions from MoJ, and will now go live in May. **July 2019 update** The MoJ searches have been expanded to include documents as well as case notes, which has increased to time needed to complete this action. In order to allow the necessary processing and manual review, plus the loss of key staff, the implementation will take place by the end of July 2019.

Financial Control Framework (Spending Controls)	Apr-19	Moderate	2.1	N/A	Compliance with the purchase order system is reinforced to provide for embedded effective record keeping and audit trail across the business.	Jun-19	Head of Finance	Dec-19	**Outstanding** The tender register cannot be embedded automatically into the purchase order system Manual process and review will ensure that it is maintained independently **Completed**
Financial Control Framework (Spending Controls)	Apr-19	Moderate			Adequate knowledge, expertise and continuity is established across the business to ensure compliance with all spending controls	Jun-19	Head of Finance	Dec-19	**Outstanding** Spending Review 2019/20 to be communicated to all budget holders. **July update** Information yet to be received. **December 2019** distributed
Electronic Collection of Data	Aug-19	Moderate	1	N/A	Effectiveness and relevance of the current E&D data collected be reviewed, documented and where appropriate extended to the protected characteristics of marriage and civil partnership, pregnancy and maternity, and gender reassignment. Decisions arising out of that review should be documented to support decisions made with regard to the aims of the general equality duty.	Dec-19	Head of Ops Support	Jan-20	**Complete** **August 2019 update** A review of the effectiveness and relevance of the current complainant equality & diversity data collected by the Legal Ombudsman will be undertaken. The review will take into account current guidance regarding the general equality duty. Decisions made following that review will be fully documented. The timescale for this action reflects resource availability and that expertise regarding this area of practice is not available within LeO. **Jan 2020 update** Complete. To be confirmed to February 2020 ARAC meeting. Paper currently being written to confirm actions, but this does not need to be shared with ARAC
Electronic Collection of Data	Aug-19	Moderate	1	N/A	The Equality Monitoring Form be reviewed in line with the Public Sector Equality Duty guidance and redesigned to better support the collection of complainants' E&D data.	Dec-19	Head of Ops Support	Jan-20	**Complete** **August 2019 update** A review and re-design of the current Equality Monitoring Form will be completed with reference to current Public Sector Equality Duty guidance. The timescale for this action reflects resource availability and that expertise regarding this area of practice is not available within LeO. **January 2020 update** Complete. To be confirmed to February 2020 ARAC meeting. Paper currently being written to confirm actions, but this does not need to be shared with ARAC

Business Unit	Risk Ref	Risk Description	Effects	Root Causes	Risk Appetite	Current Controls	Likelihood	Impact	Rating	Additional (Planned) Controls	Update against planned controls	Likelihood	Impact	Rating	Timescales	Owner
ICT	BU01	Failure of IT system(s) prevents business operations	* Business unable to meet its performance targets * Reputational damage to LeO with its key stakeholders	* Microsoft Azure Outage * Unforeseen system change outcome * Failure of infrastructure component	Minimalist	* Support contract (with monitoring) for Infrastructure and CMS with Microsoft Gold Partner * All systems in patching regime * All key infrastructure components modern and under warranty * Risk assessment and rollback planning required for all changes	2	2	4	none		2	2	4	-	Head of ICT
ICT	BU02	Cyber security incident leads to data loss or compromise	* LeO data and information falls into wrong hands * LeO subject to bribery/ransom * LeO caused reputational damage * LeO information deleted or altered	* Systems hacked or infected by an unauthorised party * Wilful behaviour by disgruntled authorised user * Unauthorised person uses a personal device owned by an authorised user	Minimalist	* Data backed up in case of required restore * Anti-virus/malware solutions and firewalls in place * Penetration tests regularly undertaken and actions followed up * All accounts password protected, with enforced regular changes *LeO Laptops encrypted * System permissions applied to LeO information stores	3	3	9	1) "Use Your Own Device" technology being introduced 2) Investment request being made for intrusion detection and prevention	* Limited support for UYOD introduced, focusing on Pool Ombudsmen initially. * Threat detection introduced for staff at high risk from phishing attacks. Intrusion detection and prevention tool evaluated. Full introduction requested for 2020-21	2	2	4	1) Q3-4 2018/19 2) request for 2020/21	Head of ICT & SIRO
ICT	BU03	Personal data breach results in damage to individuals or to LeO	* Customer's personal information is used to harm them * LeO's reputation is damaged by a data loss made public * LeO receives financial penalties from ICO or the Courts	* Human error by a LeO end user * Hacker leaks stolen personal data or uses it to bribe/steal etc.	Minimalist	* End user policies outline expected behaviours to reduce risks * Users required to undertake annual "responsible for information" training * Regular reminders on information security placed in News in Brief - agenda fed by security incidents.	3	3	9	ICO Recovery Action Plan will significantly increase provision of guidance and training to staff	* SIRO training provided to new SIRO and Head of ICT/IG. Information Asset Owners provided with training on the role. Information Asset register updated so all IAOs made aware of assets they control. Security guidance provided on the information screens, in News In Brief and with ad-hoc reminders and notices	2	2	4	Q4 2010/20	Head of ICT & SIRO
ICT	BU04	Failure to manage records and disposals puts LeO in breach of the law	* LeO receives financial penalties from ICO or the courts * LeO's reputation is damaged due to enforcement action from ICO	* Lack of robust records and information management discipline * Retaining information/data longer than required/stated * Wilfully deleting information/data without abiding by retention rules/law	Minimalist	* Retention policy and schedule	4	4	16	1) Review of retention policy and schedule 2) Records management guidance and training 3) Introduction of CMS retention console 4) Non-CMS information store restructuring 5) LeO wide "weeding" activity	* Retention Policy and Schedule reviewed and agreed with Management Team * SIRO training given Corp. Director and Head of ICT. IAO training provided to all asset owners. * As part of ICO audit, the scope of these areas have expanded in scope. CMS processes are under test and will be implemented Q4 2019-20 * The Better Records and Information Management project, delayed in order to deliver the ICO Audit Recovery actions, has restarted. This will ensure good practice is embedded into our information assets and the disposal practices	3	2	6	1) Oct 2019 2) Dec 2019 3) Mar 2020 4) Apr 2020 5) May 2020	Head of ICT & SIRO
FINANCE	BU05	Failure to deliver spend at or near agreed corporate funding totals	*Loss of credibility with Board, LSB, MoJ and wider stakeholder community	* Lack of effective engagement with business *Setting of accountability and responsibility at inappropriate levels and failure to communicate same to management community * Failure to work alongside management community	Minimalist	* Budget Monitoring System * Reports to Management Team * Reports to Board * Periodic zero based forecasts * Budgeting system	2	3	6	Moj Budget Monitoring and Spend control policies have been reviewed by the department and how they need to be delivered to the Budget Holders on a timely basis.	Weekly/Monthly Budget montoring meetings have been held to acknowledge Budget Holders of their departmental spending activities.(eg IT, HR/Payroll/Operations and Legal Services).	1	1	1	None	Hd of Finance
FINANCE	BU06	Failure to maintain financial control environment to sufficient standard	* Risk of fraud, error, compromising of Managing Public Money principles and qualified accounts	* Audit recommendations not implemented in timely fashion * sloppy record keeping and accounts maintenance	Minimalist	* Regular reports to ARAC * Management Responsibility & Review	1	1	1	Finacial Controls are Monitored through various processed eg, Scheme Of Delgation idenifying the Budget Holders Authority to approve spends of a certain value. The Moj Spending control policies and procedures to be implemented into the Finance day to day operational processes.	Interim Accounts Payable Audit has been performed addressing areas of improvements. Finance department have acknowledged and began making these improvments eg, Moj Reporting Standards spends, Update on Finance Policies and Procedures (Po's, Invoicing). Payroll Audit has been performed to identifed the roles/responsiblities of HR/Payroll/Finance and the Outsource Payroll Provider Coventry.	1	1	1		Hd of Finance & DCS
FINANCE	BU07	Failure to recruit and retain suitably qualified and experienced staff	* Lack of skill and experience sufficient to maintain control environment and complete technical work to required professional standards	* Failure to create and engaging and interesting team environment that engages well with business. * Pay scales insufficient * Employment offer unattractive	Minimalist	* Effective recruitment & retention * Leadership	2	2	4	Interim (Qualifed/Head Of Finance has been recruited to provide support to the Ombudsmen. While a Perm staff is being appointed into the role going forward.	A Perm Head Of Finance has been appointed. In the transistion stage between the Interim to the Permanent post; The Interim Head of Finance will engage with Moj and LSB to gain understanding of the Reporting Requirements from Finance and Non-Finance point of View. This will be communicated to the appropriate departments/Budget holders of the Ombudsmen to make aware of their roles/responsibilites. Policies/Proceduers will be updated to reflect Moj and LSB standards.	2	2	4	None	Hd of Finance
FINANCE	BU08	* Failure to invest in the Financial Management Information System (Sage) and ensure that it remains fit for purpose	*Unsatisfactory budget information, inefficient processing activities and eventually risk of system down time.	* Review of financial management regime is not undertaken and this is not shared and jointly led by the business * Failure to update Sage and to exploit all available modules	Minimalist	* ICT Strategy * Detailed management review * Maintenance programme & technical management	3	2	6	Finance Department Utilises the Sage System to provide Monthly Management Accounts to the Board and Budget Holders For Year End Acounts and Audit all information is captured from the Finance Sage System to provide the appropriate reporting requirements.	All Finance Users of Sage will be provided with adquate training to use the system. Especially where Budgets are Setup and Implemented into Sage for Budget and Monitoring purpose. This will provide a better understanding of how budgets will be communicated to Budget Holders and their Roles/Responsibilities within the Ombudsman.	1	1	1	Q2 and Q3 2020	Hd of Finance & DCS
Legal	BU09	Legal Challenge/Litigation	*Reputational damage due to case being reported *potential costs cosequences *Possible financial penalties from ICO or Courts (as appropriate) *Possibility of any judgement being transcribed and published in the public domain	* Successful Judicial Review challenge due to poorly formed/unlawful/procedurally defective Ombudsman decision * Defamation challenge due to inappropriate wording in Regulator referral *Successful data protection/GDPR challenge due to data breach *Successful Human Rights challenge based upon failure to provide 'reasonable adjustments'	Minimalist	* Statutory exemption from liability in negligence and related damages, and defence to defamation claims (Legal Services Act 2007) * Legal Manager membership and advice provided at Security Forum, Quality Committee, Service Policy Group and Level 2 Ombudsman meetings * Legal advice provided to investigators and ombudsman regarding decisions and high remedies before issue. *Horizon scanning of legislation and caselaw which are cascaded to ombudsmen and Investigators. * consideration given to settle claims at pre-action stage without resorting to litigation	3	2	6	Learning Points provided to Ombudsmen		3	2	6	None	Legal Manager/Solicitor
Human Resources	BU10	Failure to provide adequate HR support to the organisation to manage people related objectives	* Loss of performance * Increased stress and workload for line managers *Legal challenge through employment tribunal * Poor employee engagement	* Lack of resources * *Resignation of HR Advisor who leaves on 21 Feb 20 * Competing or misaligned priorities * Lack of engagement with key stakeholders	Cautious	* Appropriate resources including contingent labour support * HR business partner attendance at operational people meetings * Rregular updating of Professional skills and best practice	3	3	9	Recruitment for a HR Advisor and Payroll Officer now active.		2	3	6	None	Head of HR

Business Unit	Risk Ref	Risk Description	Effects	Root Causes	Risk Appetite	Current Controls	Likelihood	Impact	Rating	Additional (Planned) Controls	Update against planned controls	Likelihood	Impact	Rating	Timescales	Owner
Human resources	BU11	Failure to provide the correct governance and controls on the employee lifecycle	*Incorrect data, payroll or contractual documentation * Financial loss * Reputational damage	* Human error on inputting * Lack of resource * Competing priorities * Ineffective desk processes	Minimalist	* Working closely with the interim Head of Financeand the wider finance team to minimize payroll risks. * HR manager reviewing payroll input	4	2	8	* Recruitment of HR advisor and Payroll officer now active. * Responding to payroll internal audit recommendations promptly.		1	2	2	Q3 2019/20	Head of HR
Human Resources	BU12	Failure to manage Health and Safety risks leading to injury to employees and challenge to the organistion	* Loss of performance * Claim against LeO * Financial or reputational detriment * Physical injury or death	* Unexpected event not covered by policies * Not following policies and procedures * Lack of response to reasonable requests	Minimalist	* Well-established and embedded policies and procedures covered in induction and regularly reinforced through all staff communications and via wider leadership group. * Online DSE, twice yearly audit, third party specialist contract * Maintenance contract * Health and Safety Committee * Low risk environment * Employee Assistance programme and sign posting	2	2	4	* Recruitment of Business Support Coordinator to oversee Safety Cloud system, DSE and reporting		1	2	2	Q3 2019/20	Head of HR
Operations	BU13	Reputational damage	* High levels of adverse publicity * Increased external focus on organisational activities * Drop in demand * Increase in number of legal and procedural challenges * Loss of credibility *Impact on ability to attract staff	* Adverse JR decision * Backlogs * Increased/persistent lobbying by interested stakeholders * Press coverage * Whistleblowing * MP involvement in cases * Glassdoor reviews	Cautious	* QF model providing in case checks and assurances *Ombudsman intervention in cases * Quality reviews * Escalations and service complaint process * improved interraction with stakeholders * C/O approval of high value remedies/ reopens and high risk correspondence	3	3	9	* Clear poilcies around handling high profile correspondence * Continued upskilling of WLT cohort to identify and address risks before escalate *Ombudsman training to ensure consistency and competence		2	3	6	Q1-Q2	Hd Ombudsman
Operations	BU14	Inability to recruit suitably skilled staff	* Inability to service demand * inability to fully service QF model * increased reliance in pool ombudsman resource	* Over saturation through continual advertising * lack of local talent pool / increased local competititon * Reputational damage	Cautious	* Refreshing adverts and messaging * Looking at different talent pools * Ensuring employee proposition remains attractive	2	3	6	* Clear recruitment strategy and plan * Review of "ideal candidate" profile and review recruitment accordingly * Looking at different talent pools		1	3	3	-	Hd Ombudsman
Operations	BU15	Inability to retain skilled staff	* Performance impacted by reallocations and loss of output * performance against KPIs impacted * Increased pressure on remaining staff * Shortage of staff in key roles * reputational damage from leaver reviews	* Disaffected/overworked staff * Loss of earned autonomy and restirctions on home working * Lack of career progression * Competitive local employment market	Cautious	*Clear communication around strategy and engagement with staff * Development plans in place for key cohorts	3	4	12	* rebalancing of team structures * recruitment of additional staff to reduce workloads * clear application of policy and guidance * Launch of discussion circles for opportunity for staff to provide frank feedback *Increased OMT / MT presence in team meetings and Staff Council		2	4	8	-	Hd Ombudsman
Operations	BU16	Training of staff inadequate to ensure reasonable level of competence	*Staff do not feel job ready once out of induction * no consistent way of ensuring staff's competence and knowledge levels are monitored and maintained *Low staff morale *potential reputational damage	*Induction process in need of review and refresh *Trainers are not properly trained to deliver effective sessions *Lack of capacity to deliver ongoing training *Training kept to a minimum to ensure organsiational performance not impacted.	Cautious	*Induction process under review * dedicated cohort of trainers familiar with sessions * Side by sides, ombudsman interventions and IQR identify needs for training sooner	4	2	8	*IQR fully embedded within operational cohort *Consider dedicated trainer for operational and corporate sessions * Consider blended learning rather than classroom sessions		3	2	6		
Operations	BU17	Inability to cope with levels of demand	* Backlogs created in system * Increased wait times * Reputational damage * Missing KPIs * Over utilised staff	* Impact of QF model on time * Loss of key staff resulting in lower resource levels and increased reallocations *Inefficiences within process	Cautious	* workload management tools * Ombudsman and TL support * Increased TL and Ombudsman intervention and oversight * Recruit additional staff including paralegal resource.	3	3	9	* full roll out of QF Model * further review of application of scheme rules * application of nudge theory and other initiatives		2	3	6	-	Hd Ombudsman
External Affairs	BU18	Inability to deliver vast portfolio of work	*Core feedback function is neglected *Unable to engage with wider sector policy discussions *Uncoordinated comms	*Small team and budget *Several single points of failure *Access to operational resource to inform feedback work very limited	Open	*Clear processes in place *Collaborating with external bodies *Currently planning for recruitment of new staff (dependant on business plan budget approval)	2	4	8	-		2	2	4	-	
External Affairs	BU19	Lack of time to engage in wider sector policy discussions	*Redress perspective is not represented effectively. *LeO is not viewed as key player by the sector	*Small team and budget and lack of senior resource/time *Several single points of failure *Access to operational resource to inform policy work very limited	Cautious	*Horizon scanning to monitor issues of interest / concern	4	2	8	*Currently planning for recruitment of new staff (dependant on business plan budget approval)		3	2	6	Q1-Q4	External Affairs
External Affairs	BU20	Negative media representation	*Poor opinion of LeO amongst stakeholders *Loss of consumer confidence *More critical oversight from MoJ/LSB	*Lack of specific PR expertise *Unclear and slow processes for sign-off of media articles/responses *Poor operational performance driving critical social media *Inability to create positive/alternative content, board and performance figures are only content	Cautious	* Monitoring Contract in place *Request for media training in 2020 budget (subject to approval)	3	4	12	-		2	3	6	-	
External Affairs	BU21	Scrutiny and criticism from Parliament/MPs	*Review of appropriateness of LeO as a scheme	*Little proactive engagement *Complainants increasingly highlighting wait times and inconsistencies to their MPs	Cautious	*All MP correspondence has two-stage sign-off *Cases checked and prioritised where necessary *Political monitoring/horizon scanning	2	5	10	-		1	5	5	-	
Ops Transformation	BU22	Drop in levels of staff engagement as a result of new initiatives	* Decrease in performance levels * Low morale * Refusal to engage with new ways of working * Increased stress and workload for line managers	* Insufficient communication of changes * Failure to engage with staff when designing initiatives	Open	*Consultation with operational staff on proposed new initiatives *Open invite to attend team meeting to provide support and answer questions	3	4	12	*Regular NiB articles on Ops Transformation acitivity *Engagement with WLT to help embed changes *Development of change management policy		2	2	4	Q2 2020/21	

Business Unit	Risk Ref	Risk Description	Effects	Root Causes	Risk Appetite	Current Controls	Likelihood	Impact	Rating	Additional (Planned) Controls	Update against planned controls	Likelihood	Impact	Rating	Timescales	Owner
Ops Transformation	BU23	Failure to achieve positive impact and respond to operational need	* Missing KPIs * Loss of credibility for the team * Reduced investment in the team	* Unforeseen operational circumstances *Unintended consequences of initiatives *Competing priorites and work already committed to means there is no capacity to respond to ops requirements	Cautious	*Head Omb attendance at OMT to understand business needs	3	3	9	*Close working with data analyst and Ops Delivery to understand and monitor the intended effects of initiatives *Consider additional resourcing for the team *Identify criteria for taking on new work at the expense of planned activity		2	2	4	-	
Ops Transformation	BU24	Loss of specialist ops/corprate knowledge	* Inability to provide support to business *Inability to design/deliver improvement initiatives *Inability to fulfill business plan commitments	*Disaffected/overworked team *Inability to recruit replacements with simialr experience	Cautious	* Clear communications re plans and engagement with Ops Transformation staff * Development & Training Plans in place	3	3	9	None at present		2	2	4	Q 2020/21	
Operational Support	BU25	Service complaints are not addressed to an appropriate standard and / or within an appropriate timeframe. Feedback from service complaints does not inform improvement activity.	* Proportion of service complaints resolved diminishes and more matters are escalated. * Increasing customer dissatisfaction and associated reputational damage. *Ineffective feedback mechanism means that mistakes are repeated contributing to sustained customer dissatisfaction and associated reputational damage.	* Process for responding to service complaints not clearly documented / communicated / understood / adhered to. *Inadequate level of staff resource to respond to service complaints or inadequately trained staff. *Inadequate process for feeding back learning to operations / process not followed / improvement activity given insufficeint priority or resource.	Cautious	* Documented process for receipt and resolution of service complaints with guidance available for both customers and staff to support that process. * 3 members of staff with appropriate knowledge & skills provide dedicated resource for resolving service complaints effectively and acting as a source of expertise for others in the organisation. More experienced staff review work of others to ensure standard met. Additional staffing resource agreed with Operations on an ad hoc basis where demand is high. *Feedback provided to relevant member of staff / line manager in connection with all service complaints. Organisational level trends and recommendations for improvement activity conisdered at Quality Committee attended by senior members of staff.	2	4	8	* Service Complaints casework to be transferred to CMS with some efficiency gains to maximise time available for resolving service complaints. * Implement CMS process to enable bulk updates to customers waiting for their complaint to be investigated which is risk point re generation of service complaints. *Issue additional guidance to Ombudsman about addressing post decision correspondence, which is a trigger point for some service complaints.		2	3	6	Q4 2019/20 Q4 2019/20 Q3 2019/20	Head Ombi - Ops Support / Head of IT Head Ombi Ops Support Head Ombi Ops Support
Operational Support	BU26	Quality assurance process for customer service delivery in operations does not identify areas of non-compliance and / or inform improvement activity.	* Areas of ineffective customer service delivery / non-compliance / best practice are not identified and so opportunities for improvement are not addressed. * Customer dissatisfaction / service complaints increase contributing to reputational damage. *Value of effective customer service delivery not recognised internally risking staff dis-engagement.	*Insufficient resource to support maintenance of effective assurance process. *Assurance process is not appropriately aligned with business processes. *Ineffective mechanisms for feeding back individual and organisational learning from assurance activity.	Cautious	* 2 members of staff whose responsibilities include operating effective quality assurance process. * Quality assurance process documented with regular reminders of key points for reviewers. * Feedback provided to customer facing staff each quarter; results of quality assurance process form part of objectives for customer facing staff. *Quarterly analysis of key trends identified from quality assurance data, including recommedations for improvement activity, considered at Quality Committee attended by members of MT. * Project implemented to revise quality assurance to ensure is fully aligned with current business process.	3	3	9	* Quality Assurance process reviewed and updated to fully align with new business process, including Q&F model.		2	3	6	2020/21	*Head Ombi - Ops Support
Operational Support	BU27	Increased level of service complaints due to Reasonable Adjustments not being requested / acted upon throughout the lifecycle of an investigation	* Increase in the number of service complaints * Risk of disability discrimination claims along the lines of Blamires v LGO * Financial and reputation risks around settling complaints/claims * Harder for the investigator to manage the complaint * Complainant loses trust in LeO increasing the potential to reject either case or final decision.	* Not identifying any reasonable adjustment at the start. The onus is on us to identify the reasonable adjustment, yet we rely on the complainant telling us. Perception that investigators are reluctant to ask a specific or direct question, potentially as they are concerned about causing offence. * Not considering appropriate reasonable adjustment measures, such as deadline extensions or sharing our views in an alternate route (ie: over three phone calls)	Cautious	Feedback to TL's on an individual basis and raise concerns/ issues at Quality Committee and SPG. A copy of the feedback report is also shared with OMT if required.	4	4	16		Series of NIB articles detailing hints and tips on how to manage Reasonable adjustments, including best questions to ask to help identify adjustments.	2	3	6	Q4 2019/20	Head Ombi - Ops Support / Serv Complaints / Head Ombi - Ops Del
Operational Support	BU28	Risk of receiving disability discrimination claims	*Relevant Management Information reports not available to support effective decision making by management team. * Data provided is inaccurate, leading to ineffective decision making and reputational damage. *Ability to provide effective feedback to regulators and lawyers in jurisdiction hampered by relevant data being unavailable or of poor quality. * Stakeholder demand for increased data sharing cannot be met leading to reputational damage.	Relevant data inputs are not collected or of inadequate quality. Insufficient appropriately skilled staff to provide adequate data management / analysis skills. Adequate IT tools not aailable to support effective data collection / analysis. Insufficient IT staff to support development and maintenance of IT tools to support provision of effective data service.	Cautious	* Data dictionary development to ensure agreed data definitions and reporting methodologies for all CMS data fields used for data reporting. * Data assurance framework development to provide documented assessment of data input quality and facilitate effective prioritisation of work to improve data quality. *CMS system controls (e.g. mandatory fields) to ensure key data recorded. * Data exception reporting to identify data quality issues at earliest possible point and effective management of this within operations. * 1 Snr Performance Analyst and Data Officer to support effetive data services, with role reallcoation within Ops Support to create additional Snr Performance Analyst post from October 2019. MI / SQL developer vacant post filled Sept 2019. * Database and Power BI development to increase efficiency of reporting production to release time of data staff for further development of reporting breadth.	3	4	12	* Appoint additional Snr Performance Analyst. * Develop CMS data warehouse to support use of Power BI. *Data assurance assessment documented for all CMS reporting fields.	Dedicated group of vulnerable champions within the RC teams, to ensure consistent guidance is available	3	3	9	*Q3 2019/20 *Q1 2020/21 *Q1 2020/21	*Head Ombi - Ops Support *Head of IT *Head Ombi - Ops Support

							Current Risk Assessment					*Target Risk Rating*				
Type	**Risk Ref**	**Risk Description**	**Effects**	**Root Causes**	**Risk Appetite**	**Current Controls**	**Likelihood**	**Impact**	**Rating**	**Additional (Planned) Controls**	**Update against current controls**	***Likelihood***	***Impact***	***Rating***	**Timescales**	**Owner**
	S02	Failure to recruit and retain staff in line with Operational demand	* Inability to service demand * Performance impacted by reallocations and loss of output * reputational damage from leaver reviews * Shortage of staff in key roles	* Reputational damage * Over saturation through continual advertising * Lack of local talent pool / increased local competititon * Single points of failure * Lack of career progression	Cautious	* Refreshing adverts and messaging * Clear communication around strategy and engagement with staff * Development plans in place for key cohorts * Look at different talent pools	5	4	20	* Rebalancing of team structures * Clear recruitment strategy and plan		*3*	*3*	*9*	Ongoing	HR, DCS & CO
	S04	Failure to effectively succession plan for critical roles	* Longer to recruit as loss of corporate memory * Impacts attrition levels	* Lack of structured opportunity for interbal development * Single points of failure	Open	* Development conversations with line maangers * Continuous conversations every quarter	4	3	12	* Identify relevant roles (critical roles) * Talent mapping * Desk processed and handover notes mandatory * Knowledge Transfer process for 'red risk' roles		*2*	*2*	*4*	Ongoing	HR & Business Unit Heads
	S05	Increased scrutiny and criticism from key stakeholders	* Reputation sub-optimal, influence diminished * Lack of stakeholder confidence in the scheme / Increased time spent answering questions	* Lack of clear narrative about challenges and how they are being addressed. * Lack of time to engage and share this information.	Minimalist		5	4	20	Open and transparent business conversations with sponsors and stakeholders		*2*	*2*	*4*	Ongoing	DCS & CO

	Impact
1	No (or very limited) impact to LeO's business or reputation, or to any individual customer or stakeholder
2	Minor impact on LeO's reputation (or that of any customer or stakeholder) or very short-term (hours) inconvenience to LeO's business
3	Moderate impact to LeO's reputation (or that of any customer or stakeholder) or a moderate inconvenience (days) to LeO's business
4	Significant impact to LeO's reputation (or that of any customer or stakeholder) or a significant inconvenience (weeks) to LeO's business
5	Severe impact to LeO's reputation (or that of any customer or stakeholder) or a significant inconvenience (months) to LeO's business

	Likelihood
1	0-5% Very unlikely
2	6-20% Unlikely
3	21-50% Possible
4	51-80% Probable
5	81%- 99.9% Almost certain

Risk Score
Colour indicated within risk bar

IMPACT	1	2	3	4	5
5	5	10	15	20	25
4	4	8	12	16	20
3	3	6	9	12	15
2	2	4	6	8	10
1	1	2	3	4	5

likelihood

Appetite	Descriptions
Averse	Avoidance of risk and uncertainty in achievement of key deliverables or initiatives is paramount. Activities undertaken will only be those considered to carry virtually no inherent risk.
Minimalist	Predilection to undertake activities considered to be very safe in the achievement of key deliverables or initiatives. Activities will only be taken where they have a low degree of inherent risk. The associated potential for reward / pursuit of opportunity is not a key driver in selecting activities.
Cautious	Willing to accept / tolerate a degree of risk in selecting which activities to undertake to achieve key deliverables or initiatives, where we have identified scope to achieve significant reward and/or realise an opportunity. Activities undertaken may carry a high degree of inherent risk that is deemed controllable to a large extent.
Open	Undertakes activities by seeking to achieve a balance between a high likelihood of successful delivery and a high degree of reward and value for money. Activities themselves may potentially carry, or contribute to, a high degree of residual risk.
Hungry	Eager to be innovative and choose activities that focus on maximising opportunities (additional benefits and goals) and offering potentially very high reward, even if these activities carry a very high residual risk.

Meeting	ARAC	**Agenda Item No.** **Paper No.**	4 44.4
Date of meeting	2 March 2020	**Time required**	60 Minutes

Title	**Risk Assurance Review**
Sponsor	Brendan Arnold, Director of Corporate Services
Status	OFFICIAL
To be communicated to:	Members and those in attendance

Executive summary
The Committee receives a Risk Assurance Review at each meeting. The key points of briefing are: 1. The Risk Assurance Framework has been updated to include status and progress made on Internal Audit actions. 2. This has been done to strengthen focus and accountability. 3. There are no specific matters either novel or contentious to which the Committee's attention needs to be drawn.
Recommendation/action required
The Committee is asked to (a) to **discuss** the risks articulated and **advise** the Executive on areas – if any - where further work would be helpful to build assurance and (b) to **NOTE** the report.

2nd March 2020

Risk Assurance Review – March 2020

Introduction

This paper presents the Audit and Risk Committee (ARAC) with an update on the latest Strategic and Business Unit Risks, along with the latest update on Internal Audit progress.

LeO Risk Assurance Framework Update

As the framework has been designed to provide a holistic view of the risks faced by LeO, the Internal Audit Action Tracker is now combined with this report. Accordingly this report provides members of ARAC with a full suite of information about risks faced by LeO and how they are being managed and assured.

Issues Arising in the March Review

A. A full consolidation of internal audit actions has been undertaken. This details all open actions and where applicable, notes progress made.

B. Since the October review, a further Internal Audit report has been received and details can be found in the table below:

Title of Report	Report Stage	Audit Opinion
Casework Compliance	Final Report	Substantial assurance

These audit opinions are associated with a small number of actions which will be tracked in the LeO Risk Assurance Framework appendix moving forward. No other action is required at this time.

Work done since the last review:

C. A comprehensive review on all Business Unit risks has been completed and where applicable updates have been made to ensure the Risk Register details the latest position. This includes an additional risk under Operations in relation to effectiveness of new starter training.

D. A review of the Strategic Risks has also been completed and updated accordingly.

E. Currently reviewing the integration of ICO actions into the Framework, to provide full assurance all risks and actions are being progressed accordingly. This will be made available at the next ARAC.

F. The Assurance Map has been updated to reflect the latest review dates. There are presently no matters that fall outside the risk scores assigned under the last period of the previous risk management framework. The Business and Strategic Risk Registers are appended to this report.

APPENDIX B5

Public Sector Equality Duty

Generally

LeO monitors relevant protected characteristics of complainants accessing its service against available data for legal service users generally, ensuring any possible accessibility issues are identified. This enables LeO to have effective regard to the Duty in reviewing and developing policy. Equality monitoring will continue. Provision is also made for training staff to ensure understanding of their obligations regarding the Public Sector Equality Duty and for the provision of reasonable adjustments for customers where needed.

Staff

LeO recognises that compliance with the general equality duty is not only a legal obligation, but it also makes good business sense. The organisation draws on the broad diversity of our workforce which represents the local community to improve our customer service offering through initiatives such as vulnerable customer service champions that drive towards increased satisfaction with our services. There will also be investment in delivering our action plan to recognise and nurture Black and Minority Ethnic (BAME) talent within the organisation and to raise staff awareness of issues for LGBTQ+ and people with disabilities to build a more inclusive service and organisation.

In order to encourage a diverse workforce LeO will monitor internal demographics and compare this to the local community and take action if groups are underrepresented. It will also monitor recruitment data against protected characteristics and measure the effectiveness of advertising in reaching a diverse audience and promoting opportunities. It will report on and publish an annual gender pay gap report and publish statements on equal pay and take action if there is gender inequality. LeO will also monitor the development opportunities and retention statistics in respect of protected characteristics and take steps to improve the balance of at a managerial level.

Complainants

LeO will continue its regular analysis of complainant Equality, Diversity & Inclusion monitoring data which analysis includes consideration of complaint outcomes, as well as considerations as to the accessibility of its service by comparison with available data regarding the characteristics of users of legal services in general. In addition LeO will continue to collect and monitor Equality & Diversity characteristics for complainants responding to its customer satisfaction surveys. This enables an assessment of reported complainant experience with regard to the protected characteristics. During 2020/21 monitoring data for complainants will be extended to cover gender reassignment and pregnancy/ maternity. Analysis of Equality, Diversity & Inclusion data will continue to inform LeO's decisions about its equality priority objectives, and about where additional monitoring or improvement activity is best directed. LeO will also continue to publish anonymised data about the Equality and

Diversity characteristics of complainants for reasons of transparency.

Equality priority objectives for 2019/20 included embedding LeO's inclusive service strategy, informed by ED&I data, and raising staff awareness of issues for LGBT+ people and those with disabilities to build a more inclusive service and organisation. Progress has been made against these objectives with 'vulnerable customer champions' in place in our Advice & Support Team to provide additional support, at the very start of our service, for those customers who require it. Specialist training has been commissioned and delivered to enable further expansion of the vulnerable customer champion role into our resolution centre during 2020/21. A permanent senior ombudsman post was created during 2019/20 to provide additional senior oversight of customer concerns and complaints, and ensure improved organisational learning from any instances where LeO does not deliver against its customer service standards.

While progress has been made, there is further work we wish to do to ensure any vulnerable customer using our service is both identified and able to access the support they need from us. This work will include staff training; additional / updated guidance for staff; and updates to our IT systems to provide increased capture / visibility of information about vulnerability. Therefore the existing equality priority objectives will remain in place during 2020/21.

While LeO collects and analyses Equality & Diversity monitoring data for complainants, it does not currently collect or have access to equivalent data for service providers. Existing memoranda of understanding between LeO and regulatory bodies do not provide for this data to be shared. During 2020/21 we intend to explore what options may be available to analyse data about complaints received and resolved by LeO, with reference to the ED&I data collected about service providers by the regulators. This could build on work already completed by regulators in reviewing ED&I data with reference to Tier 1 complaints handling, and is relevant to the LSB's recent Equality & Diversity policy proposals for regulators.

APPENDIX B6

HEADCOUNT	FTE Programme 1B	FTE Programme 1E
Team Leaders	16.8	12.0
L2	15.0	12.0
L1	26.6	22.0
Investigators	115.9	106.4
Operations Management	4.0	4.0
Case Workers	15.0	15.0
Advice & Support	35.2	35.2
Subtotal Operations	**228.5**	**206.6**
Legal	4.0	4.0
External Affairs	8.4	8.4
Research	0.6	0.6
Operations Support	8.4	8.4
Operations Transformation	5.0	5.0
Finance	4.0	4.0
HR & FM	7.6	7.6
Business Performance	2.0	2.0
ICT	13.0	13.0
Executive and Support	4.8	4.8
Subtotal Corporate	**57.8**	**57.8**
Totals	**286.3**	**264.4**

Budget 2020/21 Analysis of Pay Budget

Cost Centre	Programme 1B £000	Programme 1E £000
Corporate and Executive	527,609	527,609
Ombudsman Team	806,728	645,383
Legal	197,105	197,105
External Affairs	356,293	356,293
Research	30,855	30,855
Operations Transformation	309,802	309,802
Operations Support	448,955	448,955
Operations Delivery	297,891	297,891
Resolution Centre	6,594,132	6,121,059
General Enquiries Team	983,850	983,850
Finance	205,409	205,409
HR	486,892	486,892
IT	615,535	630,535
Business Performance & Projects	105,547	105,547
Totals	**11,966,603**	**11,347,185**

APPENDIX B7

Note on the response to the Draft Budget following Consultation

The Draft Budget presented for Consultation between 15 December and 14 February proposed a Budget of £14.76m.

The responses to the Consultation appear in the Strategy item on this agenda.

The key changes to the Budget are:

1. The preparation of two programmes to improve the customer journey times for those who take service from LeO. These are presented in the Road Map to Green Revised at Item B in this budget pack.

2. A significant and unavoidable increase to premises costs.

3. The financial impact of these programs against the 2019/20 Budget are shown in the table below:

	2019/20	Programme 1B	Variation to current year	Programme 1E	Variation to current year
	£000	£000	£000	£000	£000
	12,346	14,949	+2,603	14,388	+2,042
Case Fee	1,106	1,510		1,447	
Levy	11,240	13,439		12,941	
	12,346	14,949	19.56%	14,388	15.13%

APPENDIX B8

Feedback to the Profession - Enhancements

In order to effect real change in the market, there is a need to be able to build positive relationships with more service providers, along with providing an enhanced range of different resources. LeO wants to be able to provide more help for service providers when things go wrong, but there is also an ambition to (a) play a role in raising standards across the board – and part of this involves feeding back learning and tips from casework, and (b) to be able to provide more comprehensive information and insights to the regulators about observations made.

In order to improve provision of feedback and impact work, there is a need to be able to invest resources into this area of work. The OLC's Draft Budget for 2020/21 includes increased staffing and budget for feedback work to enable the provision of more targeted, focused feedback and insight.

Investing more resource into this area of the business will enable the Legal Ombudsman to develop a suite of new and improved guidance covering a wider range of subjects. Further dedicated resource in this area will allow the Legal Ombudsman to exploit all means of sharing knowledge and guidance, including an increased number of online resources such as podcasts and webinars. It will also allow for the expansion of the current catalogue of professional learning courses, along with the provision of a greater range of dates and venues for attendance on said courses.

Should the OLC's proposed budget and staffing be agreed, one of the key deliverables for next year will be setting up an advice line and direct liaison service with firms and individual providers to give them tailored support. This is something which has been discussed with regulators and representative bodies and has been positively received.

In addition to working more closely with service providers, it is recognised that key stakeholders such as the frontline regulators are not always able to interrogate the data currently provided by LeO to identify key issues, and would appreciate more useful and tailored information for their use. This may take be achieved in the form of thematic reports to individual regulators on the specific trends relating to their members, both in relation to areas of complaint as a whole, and their approach to first tier complaints handling. In this way these relationships can be improved to can work together with others to raise standards.

The Legal Ombudsman has recently consulted on our Transparency paper, which details some of the ways in which we could look to share more information from our cases. Whilst the specific programme of work to be undertaken will depend in large part upon the nature of the responses received and the wider appetite for this work, it is crucial that sufficient resource is provided for in order to drive forward this work, in addition to the current and existing programme of feedback work.

The current suite of KPI's has been enhanced to ensure that the value of this work is monitored. Additional performance indicators will be put into place to ensure that the additional activities being delivered are useful, relevant, and appreciated by the profession and our stakeholders.

APPENDIX B9

Note on Transformation

A key part of the 2020-2023 Strategy focuses on the need to ensure that the Legal Ombudsman service is appropriate for an evolving legal sector.

One of the key activities which underpins this strategic objective is the development of closer working relationships with external bodies such as other ombudsman schemes and complaints handling bodies. This work will enable the sharing of best practice and gain a common understanding of themes, trends and barriers. Peer review activities will highlight areas where the Legal Ombudsman's service could be improved further, and will act as a focus point for additional transformation activities.

Furthermore, proof of concept work will take place with our software provider to explore how Artificial Intelligence, robotic processing and machine learning could be employed in order to maximise efficiencies within the business process. Should the solutions identified appear to be sound and beneficial, the intention is to implement these over the next financial year.

Further work is planned in relation to alternative means of dispute resolution, building on the mediation pilot which took place this year. This will involve analysis of the drivers of complaints, and the factors which may affect a person's decision to proceed with a proposed resolution. This work will involve collaborative working and liaison with key stakeholders and other dispute resolution schemes. There is also an intention to pilot alternative investigation models in order to maximise efficiencies.

As part of the commitment to improving the customer experience, in depth analysis of case flow and workload management will also take place, in order to ensure that the customer journey is as smooth as possible.

APPENDIX B10

Budget 2020/21

	Programme 1B	Programme 1E
Category	£	£
Income Other	(156,000)	(156,000)
Staff	11,966,603	11,347,185
Recruitment	50,000	50,000
Training	50,000	50,000
Premises	645,236	645,236
ICT	1,251,028	1,310,028
Fees	374,700	374,700
Comms. & Marketing	132,063	132,063
Other	31,816	31,816
Travel	11,128	11,128
Doubtful Debts	57,600	57,600
Depreciation	605,165	605,165
Interest	(77,492)	(77,492)
Tax	7,000	7,000
Net Expenditure	14,948,847	14,388,430
Funded by:		
Cases Fee Income	(1,427,600)	(1,364,476)
Levy	(13,521,247)	(13,023,954)
Total Funding	(14,948,847)	(14,388,430)
Control	0	0

LEGAL OMBUDSMAN

Business Plan
2020/21

April 2020

Contents

Looking Forward: Implications for immediate priorities

The three strategic objectives provide an overview of where the Legal Ombudsman is at the end of March 2020, and how we want to progress over the three-year period.

The analysis below sets out the key challenges to meeting these objectives and directs the priorities which will be addressed in the key deliverables and activities set out in the Business Plan.

CHALLENGE	PRIORITY	HOW
We have a significant waiting time at the front-end of our process. Too many people are waiting too long for cases to be assessed and accepted for investigation. This impacts our reputation with customers and external stakeholders.	Reduce the waiting time at the front-end of our process	Increase the number of staff in Operations in order to increase the speed of when cases are assessed and investigated. Consider Artificial Intelligence and other technology options for supporting greater efficiencies. Road Map to Green
Continued focus on operational performance means we don't have the resources to undertake substantial learning and insight work, and to share this information with the sector.	Take full advantage of opportunities to share learning from our work in order to challenge and address issues in the sector	Increase staffing resources to invest in this area. Identify more systematic ways to learn from our casework.
Amount of organisational change and pressure to deliver case closures has a significant impact on our ability to retain staff, especially in a competitive recruitment market	Make sure LeO continues to be an attractive place to work: staff development, wellbeing and culture	People Plan Change Management Guidance

How will LeO deliver its strategic objectives?

To align with our 2020-23 OLC Strategy, our Business Plan for 2020/21 sets out the key deliverables LeO will be focusing on over the next 12 months. The activities associated with the key deliverables span throughout the year to ensure focus and progress is proactively monitored and effectively tracked over the course of the year.

The key deliverables link to our strategic objectives to ensure consistency and alignment. All of our key deliverables will be underpinned by our Equality Priority Objectives.

The Business Plan will also provide the high-level budget and resource allocation which will support and drive the successful delivery of our strategic objectives.

Business Unit	Key Deliverable	Activities	Timescale	Strategic Objective
Operational Delivery	***Continue with existing initiatives to improve front-end assessment and smooth flow of cases through the resolution process***	*Continue to reduce wait times at all stages of the process through:* • *Efficiencies within GET process* • *Application of Workload Management and Quality and Feedback tools* • *Efficient use of ombudsman resource* • *Increase staffing across Operations*	*Q1-Q4*	*1*
Operational Delivery & Transformation	***Test our caseload management model to ensure it leads to optimal performance***	*Collaboration between Business Units to complete the following analysis:* • *Conduct investigator time analysis* • *Consideration of different case holding models* • *Optimal case holding testing*	*Q2-Q4*	*1*

Business Unit	*Key Deliverable*	*Activities*	*Timescale*	*Strategic Objective*
Operational Delivery	***Identify, and where appropriate test Artificial Intelligence (AI) solutions to support business delivery***	*Investigate the viability of using machine learning and AI to streamline assessment processes*	Q3	3
		Automation of case set up	Q3-Q4	1
		Management of incoming new contacts through the Case Management System (CMS)	Q3-Q4	1
		Using the Customer Assessment Tool and website to capture and drive efficiencies	Q4	3
Operational Transformation	***Support improved operational performance through tailored development plans to build skills and expertise.***	*In depth analysis of case work trends and best practice (continuous)*	Q2	1
		Skills analysis of operational staff	Q2	1
		Development of a suite of training and support mechanisms: • *Buddying* • *In house training* • *Workshops* • *Soft skills training courses (continuous)*	Q2	1
Operational Transformation	***Focus on what improved customer service looks like at LeO***	*Listen and engage with our customers to improve our service by:* • *Improved communication channels* • *Implement Institute of Customer Service action plan (continuous)*	Q1	1

Business Unit	Key Deliverable	Activities	Timescale	Strategic Objective
Operational Transformation	***Further explore alternative approaches to dispute resolution***	*Test and analyse the following:* • *Exploration of early resolution techniques and how these might be adapted for our business process* • *Review of our communications*	*Q1 – Q4*	*1*
Operational Transformation	***Develop our organisational learning strategy to facilitate internal learning and feedback to the sector***	*Activities to develop our internal learning strategy:* • *Encourage Ombudsman led area of law learning* • *Conduct analysis of resolution trends in different complaint types and feedback any learning* • *Learning from service complaints and legal challenges (ongoing)* • *Improve mechanisms for identifying and feeding back any issues as they occur*	*Q1-Q3*	*2 & 3*
		Liaise with External Affairs to complete the following: • *Peer review with Ombudsman/comparable schemes on external learning* • *Learning on how to measure impact of feedback work* • *Develop/test mechanisms for sharing learning* • *Develop our organisation learning strategy*	*Q2-Q4*	*2*

Business Unit	Key Deliverable	Activities	Timescale	Strategic Objective
Operational Transformation	***Develop collaborative stakeholder relationships through greater sharing of data and learning***	*Develop collaborative approaches to promoting first tier complaints handling by closely working with key regulators.*	*Q1-Q4*	*2*
		Develop in depth understanding of key drivers in top three areas of law.	*Q1-Q4*	*2*
		Understand drivers for different service providers i.e. barristers/conveyancers	*Q1-Q4*	*2*
		Collaborative stakeholder relationships will also be strengthened through greater sharing of data and learning, as well as providing more resources to encourage the resolution of complaints at first tier.	*Q1-Q4*	*2 & 3*
		Setting up and advice line and direct liaison service with firms and provider to give them tailored support.	*Q1-Q4*	*2 & 3*
		Share impact of key changes in the sector (transparency / regulatory changes)	*Q1-Q4*	*2*
Operational Support	***Maintain and develop Management Information (MI) and Business Intelligence (BI) in line with business requirements***	*Continue to develop in consultation with Operations and Corporate leads a range of MI and BI to support their objectives.*	*Q1-Q4*	*1*
		Continue to maintain and develop operational forecasting model. Including regular testing of assumptions; and appropriate governance around testing and any additions / changes.	*Review end of each quarter*	*1 & 3*
		Transfer production of CMS-based data reports to Power BI (where appropriate) for efficiency and improved user experience. To be completed on an efficiency saving / risk basis.	*Q1-Q4*	*3*
		Engage with internal and external stakeholders to identify future data capture and reporting needs to support better Insight developed from our operational work.	*Internal Q1-Q2 External Q3-Q4*	*3*

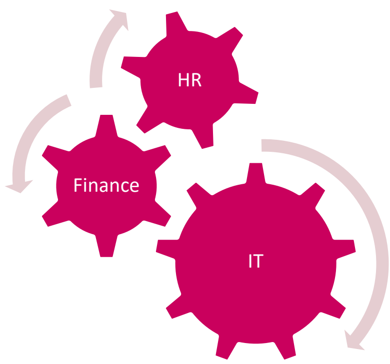
2020-21 Equality Priority Objectives (EPOs)

While progress has been made against the 2019/20 EPOs, there is further work we wish to do to ensure any vulnerable customer using our service is both identified and able to access the support they need from us. This work will include staff training; additional / updated guidance for staff; and updates to our IT systems to provide increased capture / visibility of information about vulnerability. Therefore, the existing equality priority objectives will remain in place during 2020/21.

Equality Priority Objectives	*Timescale*
Embed our inclusive service strategy, informed by our Equality, Diversity and Inclusion data	*Q1-Q4*
Raise staff awareness of issues for LGBT+ people and people with disabilities, to build a more inclusive service and organisation	*Q1-Q4*
Deliver our action plan to recognise and nurture Black and Minority Ethnic (BAME) talent within the organisation	*Q1-Q4*

Enabling functions

There are several activities LeO will be delivering over the next 12 months, which will be driven and embedded by core functions such as HR, Finance and IT. The overarching deliverables from these three key areas will enable the Operational side of our business to achieve its objectives.



Provide staff and managers with performance feedback and insight. Support leaders with the right policies and performance management tools to promote improved delivery	Support Operations in their planned improvements in the way that cases are assessed and progressed, using process automation and artificial intelligence.	Ensure that LeO can share information with appropriate organisations, safely and efficiently.
Monitor competitors and the market, learning from best practice and adapting to make improvements responsively.	Through continuous improvements of the core IT systems and taking advantage of our existing technology, this will ensure our business processes remain focused on the needs of the customer.	There will be a continuing development to finance the support of IT functions to provide better experience and service to the way cases, complaints and other support given by the business internally and externally.
Increasing staffing levels to support our Operational demand as well as creating a dedicated role for direct liaison with individual providers	Support LeO in its proactive reporting of trends and common themes within the legal profession.	The business will also continue making staff Investments to the highest level who will be professionally trained, skilled, and experienced to deliver better transparency information for casework and legal support.

Policy plans for the next 12 months

The policy plans below will support the delivery of our core strategic objectives by ensuring that we are addressing the most pressing issues of the day. Through this work we will contribute to ongoing projects of external bodies, think creatively about how we can respond to people's needs in the future, and increase confidence in our organisation and the work we do. Therefore, these policy plans are integral to achieving our long-term goals and will help to drive forward all three of our strategic objectives.

Policy issue	**Action**	**Timescale**
Regulatory reform	Contributing to and commenting on the UCL Independent Review of Legal Services Regulation.	Q1-Q4
Raising service standards	Providing evidence and insight to inform the LSB's review of ongoing competence	Q1-Q4
SRA Handbook changes	Assessment and monitoring of the impact of the SRA's new Standards and Regulations	Q1-Q4
Transparency	Progressing our own work on transparency and impact according to the findings of our discussion paper	Q1-Q4
Third party complaints	Reviewing our approach to third party complaints and potential wider changes to our Scheme Rules	Q1-Q4

High-level 20/21 Budget and Establishment

Programme 1B describes how the Customer Journey Time can be reduced by c. 60% for low complexity cases by September 2021. Programme 1E is an alternative that achieves a similar target by December 2021 at lower cost in year.

The assumptions in forming Programme 1B are set out below.

- Investigation times currently observed are accepted as broadly the best that can be achieved in process terms and are reasonable for the complexity of work undertaken.
- The Pre-assessment Pool will contain c.3,250 files by the end of May 2020; this is expected to reduce to c. 600 by September 2021.
- The overall median Customer Journey time for a low complexity case will be reduced to 90 days by 31 September 2021.
- The Programme will be delivered within the resources contained in the Final Budget.
- The demand for LeO's service will remain constant.

Programme 1E has been developed to achieve the same improvements but over a longer period of time with a smaller budget in year and lower resourcing requirement.

The level of staff resources required in Operations to deliver Programme 1B and Programme 1E are shown in the following table.

Cost Centre	Programme 1B		Programme 1E	
	FTE	£	FTE	£
Income		(98,400)		(98,400)
Corporate and Executive	4.8	684,487	4.8	684,487
Ombudsman Team	15.0	831,728	12.0	670,383
Legal	4.0	250,269	4.0	250,269
External Affairs	8.4	392,508	8.4	392,508
Research	0.6	45,855	0.6	45,855
Operations Transformation	5.0	357,952	5.0	357,952
Operations Support	8.4	520,655	8.4	520,655
Operations Delivery	4.0	469,092	4.0	469,092
Resolution Centre	174.3	6,594,331	155.4	6,121,259
General Enquiries Team	35.2	984,250	35.2	984,250
Facilities		492,952		492,952
Finance	4.0	838,482	4.0	838,482
HR	7.6	508,977	7.6	508,977
IT	13.0	1,869,963	13.0	1,943,963
Recruitment		50,000		50,000
Training		50,200		50,200
Business Performance & Monitoring	2.0	105,547	2.0	105,547
Total Expenditure	**286.3**	**14,948,847**	**264.4**	**14,388,430**

External KPI’s

The focus for next year is to improve the customer journey and with that in mind, a new suite of KPI’s have been developed to measure our performance in that regard. The new suite of KPI’s, has been assigned to themes to drive the focus on the key areas of our business and measuring attainment of relevant targets. LeO’s KPI’s are underpinned by a suite of internal performance measures, which will be monitored and tracked at management level.

Reference	Theme	Measure	Description	KPI
KPI01	**Customer**	**Quality**	**Quality – Reasonable Outcome**	**Target = 95%** **Tolerance >5% below target for two consecutive reporting periods**
% all cases assessed as having a fair and reasonable outcome				
KPI02	**Customer**	**Quality**	**Customer Journey Time**	**The monthly target for the median customer journey across 2020/21 is set out in Road Map Green Revised.** **Tolerance = <5% from the monthly target**
Measuring the end-to-end customer journey time, incorporating both the wait in Pre-Assessment and the Investigation stage.				
KPI03	**Customer**	**Quality**	**Customer Satisfaction**	**% customer satisfaction with service at the end of the process (satisfied with outcome) = Complainant: 85%; Service Provider: 85%.**

				% customer satisfaction with service at the end of the process (dissatisfied with outcome) = Complainant: 12%; Service Provider: 12%
Reference	**Theme**	**Measure**	**Description**	**KPI**
A measure of reported satisfaction with the service provided by the Legal Ombudsman at case closure. 'Customer' includes both complainants and service providers				
KPI04	**Customer**	**Quality**	**% of Service providers agree that LeO provides useful and relevant training and resources**	**Target = 80%** **Tolerance = <5% of target**
LeO has provided training/resources that was useful and relevant.				
KPI05	**Customer**	**Quality**	**Stakeholder Satisfaction**	**No target – trend**
The overall level of engagement measured through an annual survey				
KPI06	**Efficiency**	**Quantity**	**Unit Cost**	**£1,610**
£1,610 is the mean unit cost per case – for Low Complexity: £1,387, for Medium Complexity £2,003, for High Complexity £4,623.				

<table>
<tr><th>Reference</th><th>Theme</th><th>Measure</th><th>Description</th><th>KPI</th></tr>
<tr><td>KPI07</td><td>Efficiency</td><td>VFM</td><td>Productivity per Investigator</td><td>Target = 6.1 case closures per investigator on a rolling 3-month average
Tolerance = <5% under target</td></tr>
<tr><td colspan="5">Measures the productivity of investigators within Operations by calculating the average volume of closures per productive FTE</td></tr>
<tr><td>KPI08</td><td>People</td><td>VFM</td><td>Quarterly and Rolling turnover rate</td><td><18%</td></tr>
<tr><td colspan="5">Percentage of leavers, excluding fixed term contracts, dismissals and redundancies, during a given period with service in total and service under 1 year</td></tr>
<tr><td>KPI09</td><td>Efficiency</td><td>Quality</td><td>% cases concluded (within that month) within target for that file rating of case and all cases</td><td><table>
<tr><th></th><th>90</th><th>180</th><th>365</th></tr>
<tr><td>(Low)</td><td>65%</td><td>90%</td><td>99%</td></tr>
<tr><td>(Med)</td><td>40%</td><td>85%</td><td>95%</td></tr>
<tr><td>(High)</td><td>0%</td><td>33%</td><td>95%</td></tr>
<tr><td>All</td><td>45%</td><td>78%</td><td>95%</td></tr>
</table></td></tr>
<tr><td colspan="5">To identify the efficiency (in terms of timeliness) with which we conclude cases within set file ratings. To identify trends in performance, areas of improvement needed, monitor impact and compare with other performance measures.</td></tr>
</table>

Meeting	LSB Board 26 March 2020	Agenda Item No. Paper No.	
Date of meeting	26 March 2020	Time required	

Title	People Plan 2020
Status	OFFICIAL
Executive Summary	

1. The attached paper sets out the 2020 People Plan. This has been developed by the LeO Management Team with the support of Human Resources and the document seeks to give form and shape to the various activities that have a People perspective and that are needed to support delivery of the 2020/21 – 2022/23 Strategy.

2. OLC's RemCo have reviewed and commented on draft versions of the report formally on 4 September 2019, 18 December 2019 and 11 March 2020 and informally by teleconference and email on two further occasions. The Plan is presented to LSB Board on this occasion for information to ensure that there is visibility of this document in LSB Board's wider consideration and approval of the Strategy, Business Plan and Budget on this agenda.

3. The strap line of the plan is "Supporting people to be the best they can be" which is intended to convey a commitment to our people that the organisation will invest and develop their potential so that working together the organisation can collectively achieve the required objectives.

4. It focuses on three key pillars:

   a. Enhanced employee proposition
   b. Develop leadership capability
   c. Ensure excellent performance

Recommendation/action required: LSB Board is asked to COMMENT and NOTE the report

LEGAL OMBUDSMAN

PEOPLE PLAN 2020

Supporting people to be the best they can be

CONTEXT

The Legal Ombudsman provides a critical role in helping individual customers and also providing confidence to in the overall legal sector. In employment terms it has c250 FTE operating out of a single location in Birmingham and is therefore at the scale of small/ medium sized business. It is in this context that the People Plan should be considered.

The focus of this People Plan is on ensuring that our people are able to be the best they can be through meaningful and challenging work, that they are effectively developed and motivated to perform highly and have their contribution appropriately recognised and competitively rewarded. Above all, we want our people to continue to be proud of the difference they make to the customer experience and organisational success through their actions every day.

Whilst significant investment has been made in systems and processes over recent years the reality is that the current underperformance is, in large part, attributable to issues with the experience and stability of our workforce. This is true overall but is most significant in our operations teams and particularly in our investigators who manage much of the complaint activity on behalf of our customers.

This is characterised as follows:

- Attrition levels are high (22%) and have been growing. Investigator attrition is nearer 30%.
- New joiner turnover is a particular issue with half of new starters leaving within their first 2 years
- Recruitment has largely been successful in bridging gaps but new starters are less productive and as such the mix of staff has impacted overall productivity levels
- Staff survey results, often an early indicator of future action, are particularly worrying. Engagement has dropped by 8 points to 42% (28% for investigators) and over 50% of staff say they wish to leave in the next 12 months

The reasons for the position are varied and interconnected but are best summarised as follows:

- Operations Management the operations management line is under extreme pressure and has been shown to be weaker than required. This has resulted in a disconnection with frontline investigators who are now questioning why many things are happening. The management are "facing their boss" and not "facing the customer" and are no longer enabling but micro managing.
- Culture/ Communication it is difficult to precisely define the culture at present and the communications reflect this. There is a disconnect between what is happening on the ground and what is being said.
- Change Management LeO has delivered a huge amount of process change over the last 3 years. It is clear that this has not always been "received" well in the organisation and therefore whilst change has been delivered it is not truly embedded and perceived benefits are not being seen. This is best exemplified by the recent significant focus on performance delivery and case closures given the scale of the backlog, which for many staff is at odds with an organisational culture which has valued autonomy and flexibility.
- Resourcing balance the high turnover has resulted in a population that has higher proportion of newer people than appropriate and a loss of some experienced and highly performing staff essential to sustainable performance.
- Senior Leadership overall the senior leadership is new to role and largely internally promoted. Whilst this allows for positive messaging internally the reality of day to day activity is that the team is under powered for the challenges it faces. This is particularly true in the Operations area.

Despite this diagnosis the organisation has people that are interested in their work, are motivated to do the best for customers and strive to the make the organisation an inclusive environment. Feedback on pay and benefits has improved and elements of our employee deal such as Celebrating Success, reward and recognition, are well received. Flexibility remains a key driver of retention and the prime benefit that colleagues value. Relationships with direct line managers across the organisation are positive.

It is the purpose of the People Plan to set out the strategy to address these issues. Whilst this will be led from the HR function the true test of success will be that the People Plan is understood and owned by everyone across the organisation.

To this end the People Plan Mission is: Supporting people to be the best they can be. In order to achieve this we will develop a workplace in which our people are empowered, inspired and supported to achieve.

The People Plan Vision is based on three key priority areas which we will focus on over the next three years to achieve the Mission. This Vision is consistent with the 3 year Corporate Strategic Plan and Strategic Objectives, aligned with the annual budget and linked to the corporate key performance indicators. The three priorities are: to offer an enhanced employee proposition; to develop leadership capability and to ensure excellent performance.

Looking back - OLC Corporate Strategy 2017-20

In the last three years, our business processes have gone through a complete overhaul. As a result, key areas of our process improved significantly and we have identified areas for further development. In the last three years, we have:

- Implemented a new, effective case management and telephony system.
- Developed a new Information and Security Rights Framework.
- Completed the transfer of CMC to FOS.
- Refreshed our appraisal framework.
- Introduced Customer Assessment Tool.
- Looked at usefulness of Alternative Dispute Resolution techniques.
- Developed processes to understand the complexity of cases waiting for investigation.
- Improved stakeholder relationships.
- Completed legacy pool cases.
- Introduced Vulnerable Customer Champions.

The challenges for our people have been greater than we envisaged due to the scale of change alongside performance demands. This has meant a tougher environment for recruiting and developing our staff and we still need to improve the resilience of our workforce.

Looking forward - OLC Corporate Strategy 2020-23

Our strategic objectives for 2020-23 seek to focus on our service and the range of support we offer to the public and providers. We will work to add value to the complaints journey at each stage, as well as investing much more in our learning and insight work. Underlying this is an approach to ombudsman work which seeks to get to the heart of a dispute and understand how we can best support resolution between complainants and their legal service providers.

This People Plan enables and supports delivery across all of the three objectives:

Strategic objective One	Strategic objective Two	Strategic objective Three
Improving the experience of our service for complainants and service providers while using our expertise to guide and add value to the complaints journey.	Increasing the transparency and impact of our casework to support greater access to justice.	Developing our service to ensure it is appropriate for the evolving legal sector.

KEY PRIORITIES ON A PAGE

LINE OF SIGHT

How the People Plan supports the OLC Strategy

Priority	Desired Position	Current Position	How will we change it	Expected Impact
1) Enhanced Employee Proposition	We have fully engaged and dedicated staff who produce excellent work and want to stay working for us	We have many committed staff but don't have the balance right in all circumstances. Limitations on our ability to build a competitive proposition that attracts people and allows them to grow	Develop a competitive deal and attractive working environment for our new and existing people that successfully communicates how LeO can enhance their career journey	Decreases the level of attrition. Engaged and focused workforce operating consistently across the business
2) Develop Leadership Capability	All staff who are in a leadership or management role have been fully trained for that role and perform well as a leader or manager	Grown organically and this has resulted in our capabilities being stretched and needing some enhancement	Equip LeO's leaders with the capability to drive consistent levels of performance with blending learning, coaching and feedback	Improved perception of leadership in the CS survey. Staff are motivated and enabled to work effectively from any location
3) Ensure Excellent Performance	Performance accountability by all. Clear expectations understood , owned and delivered	An intense focus on performance has produced some results but at times this hasn't been executed as well as we'd like.	Ensure performance management is fair to all parties	Improved productivity Driving down backlogs

KEY PRIORITY 1 – ENHANCED EMPLOYEE PROPOSITION

Desired position

(What will be different in 3 years)

We have fully engaged and dedicated staff who produce excellent work and want to stay working for us

- People want to come to work for the legal ombudsman and staff experience positive and energetic working environment which motivates good performance
- They see their role here as a key step enhancing their career journey
- Employees feel committed to their work and are able to perform better and make a fuller contribution

Current position

- Overall LeO turnover is high having stabilised at 22% however this is higher within operational areas and amongst Investigators
- Current induction process does not provide operational staff with all of the skills required
- There is a track record of successful recruitment campaigns but HR intervention required for poor performance accounts for 46% of employee turnover
- Competition for talent is strong in the local catchment area
- Failure to recruit and retain staff in line with Ops delivery
- Employer brand is currently negative on platforms such as GlassDoor

How we will change it

- Increase the number of staff in operations to speed up case investigations
- Redesign induction process and include support across the first year of employment
- Focus on engagement and prioritise staff retention
- Conduct skills analysis of operational staff
- Develop suite of learning and support mechanisms
- Invest in staff who are professionally trained, skilled and experienced
- Review reward and recognition
- Provide opportunities for staff to participate in organisational developments

Expected impact

- External KPI 08 Rolling Turnover rate less than 18%
- Reduced turnover rate specifically in the 1st year of employment
- Improved Net Promoter score (to be defined)

KEY PRIORITY 2 – DEVELOP LEADERSHIP CAPABILITY

Desired position (What will be different in 3 years)	All staff who are in a leadership or management role have been fully trained for that role and perform well as a leader or manager Leaders have the skills and tools they need to drive organisational performance • Internal change is managed effectively • Our staff are actively engaged and involved in growing our service based on their experieice of conducting casework • Staff are enabled to work effectively from any location • Reduction in the number of cases escalating to a formal HR process in relation to line management
Current position	• Trust and confidence in the senior leadership team is low • Generic leadership capability at all levels is lacking • Cultural and value alignment of leaders is directed upwards rather their focused on their people • Internal promotion has led to enthusiastic but inexperienced managers • Intense focus on performance leaves no capacity for engagement activity • Ineffective leadership ability/capacity to manage probationers in sufficient numbers • Inability to control cultural and management impact of significant increase in new employees
How we will change it	• Assess the gaps in the competence of the leadership cohort and develop strategies to address • Recruit additional skilled senior management capability • Recruit additional skilled line management capability • Access to and involvement with external coaching networks to improve skills and bring new ideas • Develop the link between leaders and HR to ensure that processes are carried out consistently and fairly • Define base learning standards that are a required for all LeO managers • Investigate and implement senior management development options • Targeted 180° and 360° feedback. Encourage peer to peer feedback
Expected impact	• Annual Civil Service Engagement year on year increase

KEY PRIORITY 3 – ENSURE EXCELLENT PERFORMANCE

Desired position (What will be different in 3 years)	Performance accountability by all. Clear expectations understood, owned and delivered • Improved productivity • Increase in the number of new starters passing probation. • Improved retention • Reduction in the time taken to move from junior to senior grade • Increase in the reputation of LeO as a whole

Current position	• Staff engagement is recognised as a key factor in achieving performance and is currently low • Establishment level and resources not sufficient to deliver performance • High attrition rate impacts the organisations ability to deliver against its targets • Failure to keep pace with the customer demand • Failure to recruit and retain staff in line with Ops delivery
How we will change it	• Focus the majority of effort on Operations • Ensure the correct levels of resource are available to meet demand • Listen to the employee voice and act on improvement solutions • Provide managers with the support and confidence to tackle poor performance fairly. Monitor progression against the Quality & Feedback model • Ensure appropriate performance management support activity and policies are effective and fair to all parties • Ensure the appropriate balance between wellbeing and the demands of the role
Expected impact	• Annual Civil Service Engagement year on year increase • LeO overall delivery performance against its KPI's

FUTURE WORKFORCE

VISION

Everyone will:

Take responsibility and ownership of their own work.

Engage with their work and actively their own learning.

Respect others' expertise and value diversity.

Deliver great service, and contribute to innovation and service improvement.

Leaders will:

Provide vision, direction and support to their staff to achieve the organisation's performance indicators and strategic objectives.

Set clear expectations, ensuring staff have the right tools, knowledge and skills.

Take accountability for all aspects of their team's workload and anticipate and seek solutions.

In a place that provides:

Interesting, varied and valuable work.

A competitive reward and recognition package.

Friendly, caring colleagues with a strong commitment to wellbeing and inclusion.

Development and progression opportunities, with support for professional learning and qualifications.

Flexible working arrangements, supported by reliable, cloud-based IT.

Provides opportunities for all staff to participate in organisational developments and performance improvement.