

Dr Helen Philips
Chair
Legal Services Board
One Kemble Street
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18 July 2019

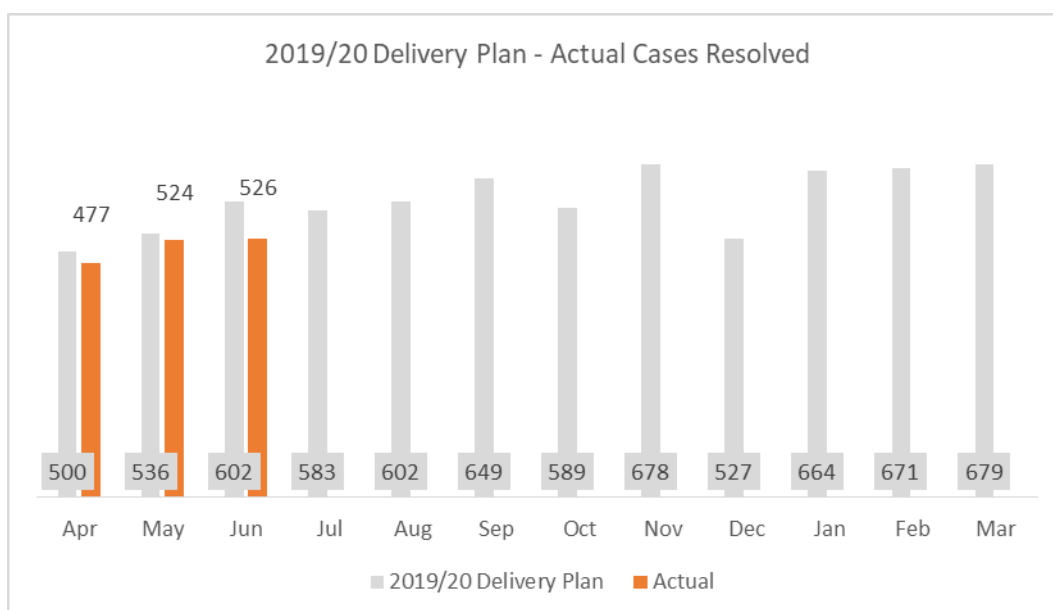
Dear Helen

VOLUNTARY PERFORMANCE ASSURANCE REPORT

I am writing to provide the OLC's voluntary performance assurance report following the Board meeting on 17 July 2019.

The Board's agenda was focussed on in year performance at this meeting. The headline points from the Board's discussion were:

- Board noted that the financial position was broadly stable with an underspend £118,000 at the end of June (Period 3); this was partly due to profiling issues and partly to a number of other variances. The year end position is expected to remain in balance and at Period 4 an in depth exercise will be undertaken to support the re-forecast required at that date in line with the financial management timetable led by MoJ.
- The Executive reported that the Legacy Pool of 1996 cases had now been completed with the last 36 cases closing in July. The Board agreed that this was a significant achievement and thanked Team RC10 for their endeavours over a long period.
- The Board was disappointed to see that the closure target for June had not been achieved but took a level of assurance that the trend was still upward in the year to date.

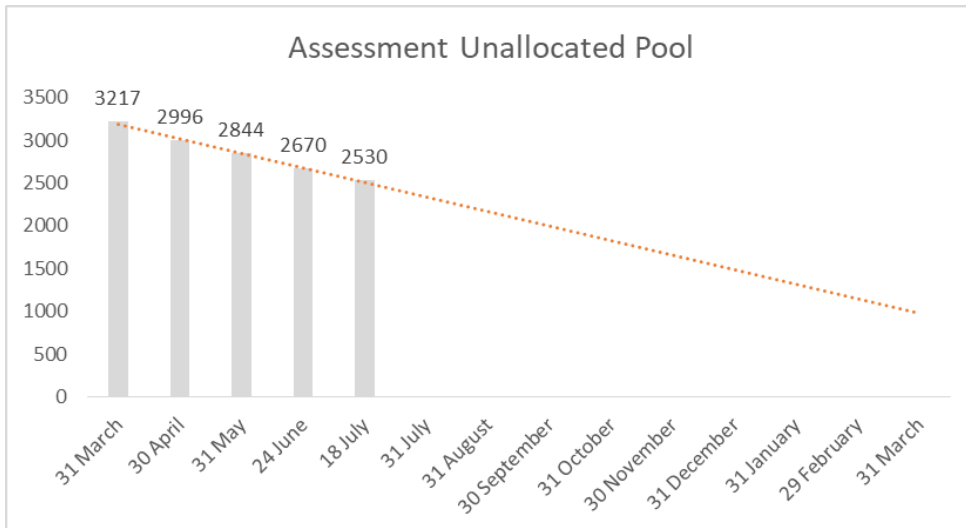


- Noting that the cases closed in April and May were within tolerances but fell short of the declared target, the Executive acknowledged the closures in June were disappointing. It was explained that:
 1. The delivery plan was built on the assumption of 103.8 FTE investigators being in place over the month; the number employed was 100.3 in June. The loss of capacity against plan is estimated at 12 – 21 closures. Future monthly targets will be kept under review although recruitment campaigns are already underway with 4.2 FTE investigators having joined on 8th July and a further tranche of 10 FTE expected to join on 9th September.
 2. The plan made a number of assumptions around levels of productivity for the cohort of investigators. The plan assumed 39.5 FTE operating at 7 or more closures per month but only 35.63 FTE were operating at 7 or more closures in June. The loss of capacity is estimated at c. 12 closures. It appears that this reduction in the availability of high performers is due to random variation in factors such as annual leave.
 3. Of the available 100.3 FTE, the actual level of available resource (less maternity, long term sickness, reasonable adjustments, adjustment for new starters etc.) was 80.49 available on the Closure Floor compared with (84.0 in April, 87.6 in May). The loss of capacity is estimated at 12 – 22 closures.
 4. June saw 28 decision requests being sent back by the ombudsmen for rework/ further investigation. The reasons for this are being analyzed but should be capable of mitigation in future periods using a ‘get it right first time’ approach and feeding back to investigators. The loss of closures was 28.
 5. Sickness levels in Operations during June were in line with recent experience and not otherwise exceptional.
 6. June saw over 200 days spent working from home on a non-contractual basis – this facility has now been removed unless performance targets are being met on an individual basis.

Monthly Performance Against Delivery Plan (2019/20)			
Months	Delivery Plan Target	Tolerance Range	Actual
April	500	450-500	477
May	536	482-536	524
June	602	542-602	526
July	583	525-583	
August	602	542-602	
September	649	584-649	
October	589	530-589	
November	678	610-678	
December	527	474-527	
January	664	598-664	
February	671	604-671	
March	679	611-679	

- In addition to this, Board welcomed that the number of cases awaiting assessment had fallen

from 3,217 at 31st March 2019 to 2,530 as at the date of this Board meeting. The following graph shows the emerging trend over this period.



N.B. The figures for July in the above table are as at 19th July and not for a full month

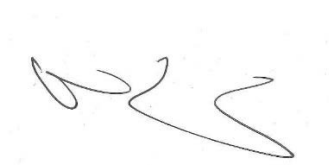
- Board welcomed these planned reductions but expressed robustly the view that further progress needed to be made. As previously agreed, Board reiterated the view that the length of the customer journey needed to be further modelled to understand the prospect of reductions after March 2020. It was confirmed by the Executive that this information is being prepared and will be reported to Board.
- Board also considered a report from the Executive on a proof of concept for mediation. This will be funded from existing budgets and mobilisation will commence this week concluding in October. The results will be reported to the Board in due course.
- The Board was pleased to see evidence of successful recruitment and noted that more is planned.
- A summary of the performance to the end of June 2019 appears at Appendix 1. The Board was pleased to note that timeliness performance remains strong in all cases other than the 360 day All Case KPI which has continued to be adversely affected by the closure of Legacy cases. This effect will progressively diminish in the data as the Legacy cases have now been virtually eliminated with a very small number awaiting decision.

- Noting that unit costs were outside target the Board is aware that this is partly because of the chosen methodology for this KPI, where costs are incurred on a uniform profile but where the business plan contains a closure programme where closures are weighted towards the second half of the financial year. As a further insight the unit cost for more numerous low complexity cases is £1,294 at the end of Q1, and £2,141 and £5,841 for medium and high complexity respectively. The Board will be reflecting further on this moving forward.

Helen, I am pleased to learn that our respective senior officers Brendan Arnold and Chris Nicholls are in the process of setting up arrangements to engage at more detailed level on these performance issues. I look forward to the development of closer and more fraternal relationships and I know we are both supportive in this regard.

Thank you.

Yours Sincerely

A handwritten signature in black ink, appearing to read 'Wanda Goldwag', is positioned above the typed name.

Wanda Goldwag
Chair, Office for Legal Complaints

Appendix 1: Monthly KPI and tolerance report – June 2019

Target met:		Target not met but within tolerance:		Target not met & outside tolerance:	
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Measure	KPI	Tolerance	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Notes
% cases concluded in new CMS (CEQ2a)														
90 days (low)	65%	10% off target for more than 2 consecutive months or 2 months out of 4, in any category	89%	83%	83%									The item that is showing Amber is for High Complexity cases. Relatively few of these are closed monthly and so a small variance can impact the % significantly. It is not anticipated that this reduced performance will persist.
90 days (med)	40%		54%	50%	45%									
90 days (high)	0%		25%	11%	8%									
180 days (low)	90%		98%	99%	99%									
180 days (med)	85%		92%	91%	85%									
180 days (high)	33%		75%	56%	33%									
365 days (low)	99%		100%	100%	100%									
365 days (med)	95%		100%	100%	98%									
365 days (high)	85%	100%	100%	83%										
% 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%									Performance against 180 and 365 day measures still impacted by closure of legacy cases. As all Legacy cases will be closed by the end of July improvement is expected from this point onwards.
Within 180 days	78%		63%	72%	70%									
Within 365 days	95%		69%	78%	77%									
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%									Turnover continues to vary incrementally as management of performance, capability and behaviours proceeds robustly but remains within tolerance.
Unit Cost per case (IRE8)														
Legal all complexities – net of estates income and gross costs	£1695	>£100 over target – 3 month rolling average	£2118 variance	£2047 variance	£1952 variance									Unit costs are outside tolerance but continue to improve. The 3 month rolling average is £2039. This effect is predictable because costs are incurred in a more uniform profile than closures for which the Business Plan implies an S curve.