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Alan Kershaw
By email

13 May 2024

Dear Alan

With this being the first VA letter of the new Financial Year – and indeed the first since we gratefully received LSB approval of the Budget and Business Plan – it is only right that we use this as an opportunity to continue to evolve and change. This letter therefore mirrors the two Strategic Objectives and the enablers that now form the basis of the more integrated performance monitoring adopted by the OLC Board. In keeping with LSB feedback on including a visual it also includes a balanced scorecard as Annex A.

Strategic objective for LeO's service: LeO resolves complaints fairly and effectively, providing an excellent customer experience.

Assurance received on:

1. **Closure performance** exceeded likely ranges for Q4, bringing the annual performance on resolved complaints to the upper end of the forecast range at almost 8,000.
2. The **queue of people waiting** for an investigation (Pre-Assessment Pool) decreased annually by 21% and is now sitting at 3,376 customers; the OLC Board was assured this is outside forecast range primarily due to increased demand and attrition (and resulting reallocations) from earlier in the year.
3. **Customer journey time** continued to reduce across all complaints where 46% were resolved within 90 days, compared to less than 10% in 2021/22; for complaints resolved through early resolution, the average time of closure fell from 68 days in April 2023 to 48 days at the end of Q4; for customers needing a full investigation, journey times have reduced in the same period from 318 to 305, still high due to historic cases increasing the average time.
4. **Demand** stabilised towards the end of Q4 and saw a 2% decrease in new complaints received compared with 2022/23; whilst demand remains a concern, Q4 in isolation saw a decrease of 15% on the same quarter year on year, giving some confidence that scheme rule time limit changes are taking effect.
5. **Contacts** saw a year-on-year increase of 13% and the OLC Board was assured that LeO will continue to assess the demand trend, working to understand drivers and potential mitigations.
6. The time limit discretion checks have been successfully cleared with temporary shifts in resource now reverted and March saw the first effects of other Scheme Rules changes with the first cases using **scheme rule** 5.19/5.20 to resolve cases on the basis of investigator case decision; no increase has been seen in the number of discretion requests received through other customer channels but the OLC Board was assured that LeO will continue to monitor for any increase and an update will be shared with LSB imminently.
7. The **Service Complaints Adjudicator's** end of year report was presented to OLC Board; in addition to showing that a number of service complaints relate to issues LeO has already addressed (eg. wait times), it highlighted the quality of reviews handled by the Service Complaints Team and LeO's willingness to learn from and act upon findings to improve standards of process and casework.

More assurance was sought on:

8. Performance against **quality metrics** was strong in all areas except in cases resolved after an investigation with underlying themes of delay, lack of progression and updates and some

feedback around the style, tone and content of communication; work is ongoing across LeO to identify and address the drivers and reviews have not identified a lack of fairness or cause to reopen any complaints providing assurance that the right outcomes have been reached. An update on end of process Q4 results will be provided for the OLC Board meeting in July.

9. The first stage of the review of LeO's quality assurance framework is nearing a conclusion with the new framework scheduled to be in place in Q2; its aim is the development of a proportionate and risk-based approach to assurance around LeO's service and standards and further information will be shared with the Board.
10. **Attrition** remains a key risk to future performance although its impact reduced in the second half of the year; a Board workshop offered the chance to fully understand the scale of the problem, what's already being done and to question what more should be done, including addressing what is currently outside LeO's control such as annual public sector pay awards. The workshop will now be written up and shared with the Board for further review.
11. The considerations and potential impact of becoming an **approved ADR entity** will be considered in full at October's Board meeting.
12. The OLC Board was assured that **further reductions in investigation customer journey and wait times remain a priority focus**; LeO continues to explore initiatives to increase efficiency and customer journey time including the lean process review, the initial scoping phase of which completed in Q4 as expected; and a low complexity complaint pilot which has delivered promising results, resolving 180 cases with an average investigation time of 38 days.

<u>Strategic objective for LeO's impact: LeO's independent voice and experience lead to improvements in legal services</u>

Assurance was received on:

13. LeO has continued to be proactive and **engaged with a full range of stakeholders**, seeking to raise its profile and impact in the sector and deliver on its strategic aims to improve learning and insight and first tier complaints handling.
14. **Further webinars** for legal providers have been delivered, including well-attended general and area-of-law specific sessions covering areas such as remedies, costs, and family law, wills and probate; the OLC Board was assured that LeO is analysing delegate feedback to feed into its future programme.
15. The Chief Ombudsman attended an LSB 'coalition of stakeholders' meeting on **LSB's first-tier complaint handling consultation** and has continued separate discussion underlining LeO's commitment to this work and on alignment with its own strategic aim to inform improvements to legal providers' complaints handling.
16. In February LeO ran a meeting of its **Challenge and Advisory Group** with comments recognising progress made and support for its dual strategic focus; reflections are informing the evolution of engagement forums and the positive feedback underscored the ongoing importance of LeO's collaborative and transparent approach.
17. LeO and the **SRA** have been in regular contact about the failure of SSB, now the subject of the LSB's own commissioned investigation; LeO is continuing to accept cases about SSB, mindful of the need to ensure close join-up as the picture develops over whether any financial remedy will ultimately be recoverable.

More assurance was sought on:

18. **Transparency** will be covered in a full Board discussion at July 2024's meeting; ensuring the Board has the opportunity to discuss options and ambitions in this space and what this means for LeO's future resourcing and performance. Future plans will take full account of advice received on the legal framework, inherent challenges around publishing Ombudsman decisions, recognising there are other facets of transparency that could deliver substantial visibility and impact of LeO's insights in the shorter term, while progressing on a trajectory toward the publication of full decisions.

<u>Updates on strategic enablers and supporting strategies</u>

Assurance was received on:

19. **People:** Good progress has been made across a range of people-related priorities in 2023/24; the new 2024- 27 People Strategy has been aligned to the OLC's 3-year strategy for LeO and EDI strategy.
20. The welcome **sustained improving picture on attrition** has brought reduced scores for attrition-related strategic issues (SI02 and SI03) to 12 and 20 respectively.
21. **Sickness absence levels** also reduced in Q4 with a significant fall in the number of days lost due to mental health-related absence, from 30.5% to 14%.
22. A reasonable adjustments policy for LeO employees was rolled out in Q4 with training provided for line managers and Vulnerable Customer Champion training was also delivered; all remaining deliverables in the 2023/24 **EDI action plan** were completed as scheduled.
23. **Systems and intelligence:** The focus has been on infrastructure upgrades to improve and futureproof the underlying architecture on which LeO's systems run, moving to a fully online system; upgrading this system will provide enhanced functionality with a focus in Q1 on LeO's Automation and AI project, aiming to further implement automation at key points in LeO's process and identify, test and deliver targeted technology solutions and to maximise LeO staff capability and productivity,
24. **Risk Management:** The strategic risk on future accommodation has also seen a reduction in scoring; the 2023/24 GIAA Audit Plan's final audit on Customer Satisfaction received a Moderate opinion with seven recommendations, five of which are low priority.

More assurance was sought on:

- **Risk Management:** A risk workshop is planned for July's Board meeting and will involve a review of the current risk tolerance process, risk and issues descriptions, optimal positions and risk appetite discussions.

The internal investigation queue-focused workshop, together with the workshop on drivers and themes of complaints being referred to LeO, underscore the inherent link between the new strategic objectives for LeO's service and impact – and are important signals about the internal relationships and collaboration LeO will need to grow going forward.

The balanced scorecard is a work in progress reflecting that both the OLC Board and the LSB Board want to occupy more strategic space. This is not about seeing less data, but ensuring we see relevant data and then ask the right questions about it. To meet our needs the scorecard will evolve. It will also inform the OLC's proposed approach to a revised agreed dataset, ensuring there remains commonality across the data seen by the LSB, the MoJ and the OLC and that these align on a quarterly basis and on those aspects of the data that tell the clearest story.

With best wishes to all

Elisabeth Davies
Chair, Office for Legal Complaints

Annex A – Revised balanced scorecard

This is an evolving picture and indeed there may well be extra measures in future shared versions and that included below reflects some feedback from the OLC April Board meeting. If offers an organisational health perspective – enabling OLC Board and LSB an opportunity to make an overall progress assessment ‘at a glance’ – by collating a smaller and more targeted number of quarterly indicators than those currently shared in the monthly agreed dataset.

Balanced scorecard – narrative

People

Overall attrition fell in Q4 and now stands at 19.5%, a reduction of 2.6% across the quarter. The current overall attrition target within our risk appetite measures is 19%, placing us within 'green' tolerance.

Investigator attrition saw a sharp downturn in the second half of 2023/24, just 9 investigators in Q3&Q4 combined from 30 in Q1&2. Annual investigator attrition was 27.2%, a 5.6% decrease across Q4 and ending the year better than likely-case assumption. Corporate attrition was stable, 21.1% in March. The overall turnover rate has decreased on a month-by-month basis throughout the quarter and stood at 19.9% in March, a decrease of 2.5% compared to January.

Sickness absence had been increasing over the previous 6 months but fell in Q4, from average of 13.71 days per employee at the start of the quarter to 13.55 days at the end (sickness target within risk appetite measures is 11 days, placing us in 'green' tolerance. The main reason was mental health, a position unchanged from previous quarter. However, there was a significant fall in days lost due to mental health-related absence, 134 days (30.5%) in January to 40 days (14%) in March. Currently three employees on long-term sick leave due to mental health issues (specifically bereavement), compared to eight at the start of Q4.

VfM, Resources and governance

The final 2023/24 position was a -£3k (0.02%) budget variance. This includes provision of £166k for lease dilapidation.

Total Unit cost for 2023/24 was £2,106. As expected, this was higher than 2022/23 (£1,618) but broadly in line with 2021/22 (£2,092) and lower than 2020/21 (£2,798) . The YOY increase reflects the significantly increased opportunities for early resolution in the PAP backlog in the previous year as well as increases in LeO staff costs for 2023/24, driven by £1,500 non-consolidated payment and average pay award of 4.8%. The number of contacts in Q4 was 32,439, the highest for the year, with the total 23/24 contacts 125,448. Cost per contact received for Q4 was £13.26, Cost per contact for 2023/24 was £13.16.

SI02 and SI03 (attrition) reduced in scoring as a result of decreases in attrition. SR05 (Lease renewal) has decreased in likelihood given positive progress on negotiations and LeO's assertion of legal protections as a sitting tenant. All other issues and risks remained static following full Executive review in March 2024.

The Customer Satisfaction internal audit concluded in Q4, receiving a 'moderate' audit opinion. For the year, the OLC has received three substantial opinions and one moderate.

Operational performance and efficiency

LeO resolved 7967 cases against an assumed range of 7544 – 8128, Q4 exceeded likely scenario in all months. Investigation backlog reduced by 26% in 2023/24 finishing at 3376 a reduction of over 900 cases. Whilst the PAP is outside of the expected range it demonstrates underlying performance remains strong.

New customer complaints received reduced in Q4, stabilising and showing a slight YTD reduction of 2% - this was against an expected drop of 10% for 2023/24. Q4 in isolation saw a 15% in quarter reduction, a hopeful sign that scheme rule changes are starting to take effect.

All new cohorts (April 2023/ May 2023 September 2023) are outperforming established investigators from a productivity perspective.

Customer experience

Customer journey time reduced across 2023/24, reducing to 305 days from 318 in 2022/23. Early Resolution CJT reduced further from 68 to 48 days in the same period. The number of cases closed within 90 days increased from 41% to 46% year-on-year.

Performance against quality metrics was strong in all areas except in relation to investigation (6% decline in performance against service standards and 9% drop against reasonable outcome metric (to 65% and 61% respectively)). There have been no instances where outcomes required re-opening for corrective work. Customer satisfaction scores for Q4 are not yet available but scores for Q3 showed consistent levels of satisfaction across all areas of our process with the key driver for customer satisfaction remaining outcome.

Levels of spend in terms of remedies offered for upheld service complaints exceeded target figure but this continues to be driven by clearing of backlog cases due to long term sick leave rather than an increase in the proportion of service complaints that are upheld.

Balanced scorecard – Quarter 4 2023-24

People

Ref	RAG	Trend	Metric	Quarterly performance	Target	Tolerance
PI09		⇩	Days lost to sickness	13.55	11	13-18
PI11		⇧	Rolling Attrition rate (voluntary permanent leavers)	19.50%	19%	1-4%
KPI07		⇧	Rolling turnover rate – all	19.90%	21%	1-4%

Resources and governance

Ref	RAG	Trend	Metric	Quarterly performance	Target	Tolerance
KPI06		⇩	Total Unit cost	£2,177	£2,065	3-7%
BM06		⇔	Number of completed internal audits rated moderate or substantial	100%	N/A	50-75%
PI17		⇧	Budget variance against forecast	10.5%	5%	5-10%
BM05			Cost per contact received YTD	£13.26	N/A	N/A

Operational performance and efficiency

Ref	RAG	Trend	Metric	Quarterly performance	Target	Tolerance
MI15		⇧	Cases Triaged by GET	1962	1593	2-5%
MI11		⇧	Cases resolved (including FET)	2155	1895	5-8%
NEW	N/A	N/A	New Customer Complaints	2386	2037	N/A
KPI08		⇧	Volume of cases awaiting assessment	3,376	1784	2636
NEW	N/A	N/A	Number of Contacts YTD	32439	N/A	N/A

Customer experience

Ref	RAG	Trend	Metric	Quarterly performance	Target	Tolerance
KPI03a			Service Provider Customer Satisfaction - Complainant	N/A	85%	80-85%
KPI03b			Service Provider Customer Satisfaction - Service Provider	N/A	85%	80-85%
KPI05a			Stakeholder satisfaction - Effective Learning with Stakeholders	Annual N/A	80%	69-80%
KPI05b			Stakeholder satisfaction - Effective Learning with Service Providers	Annual N/A	80%	69-80%
KPI01a		⇧	Quality - Reasonable outcome -GET	97%	95%	90-95%
PI08a		⇧	Quality - Reasonable service - GET	93%	90%	85-90%
KPI01b			Quality - Reasonable outcome - FET	N/A	N/A	N/A
PI08b			Quality - Reasonable service - FET	N/A	N/A	N/A
KPI01c		⇩	Quality - Reasonable outcome - Ombudsman	94%	95%	90-95%
PI08c		⇧	Quality - Reasonable service - Ombudsman	94%	90%	85-90%
KPI01d		⇩	Quality - Reasonable outcome - Investigator	61%	95%	90-95%
PI08d		⇩	Quality - Reasonable service - Investigator	65%	90%	85-90%
PI07		⇩	Service complaints (total remedies)	£3,525	£2,500	£2500-£2751
KPI02a		⇧	Customer journey time – all complexities including FET	305	250	2-10%
KPI02b	N/A	⇧	Customer journey time - FET	48	N/A	2-10%
PI03	N/A	⇩	Customer journey time – Investigation time combined	106	N/A	N/A

Arrow trend logic

Arrows up shows improving performance over the period, Down shows a worsening performance.

Balanced scorecard – Annual 23-24

People

Ref	RAG	Trend	Metric	23-24 Annual performance	Target	Tolerance
PI09		↓	Days lost to sickness	13.55	11	13-18
PI11		↓	Rolling Attrition rate (voluntary permanent leavers)	19.50%	19%	1-4%
KPI07		↑	Rolling turnover rate – all	19.90%	21%	1-4%

Resources and governance

Ref	RAG	Trend	Metric	23-24 Annual performance	Target	Tolerance
KPI06		↓	Total Unit cost	£2,106	£2,065	3-7%
BM06		↔	Number of completed internal audits rated moderate or substantial	100%	N/A	50-75%
PI17			Budget variance against forecast	0.02%	5%	5-10%
BM05	N/A	↓	Cost per contact received YTD	£13.16	N/A	N/A

Operational performance and efficiency

Ref	RAG	Trend	Metric	23-24 Annual performance	Target	Tolerance
MI15		N/A	Cases Triaged by GET	6979	6930	2-5%
MI11		↓	Cases resolved (including FET)	7967	8128	5-8%
NEW	N/A	N/A	New Customer Complaints	9669	9228	N/A
KPI08		↑	Volume of cases awaiting assessment	3,376	1784	2636
NEW	N/A	N/A	Number of Contacts YTD	125446	N/A	N/A

Arrow trend logic

Arrows up shows improving performance over the period, Down shows a worsening performance.

Customer experience

Ref	RAG	Trend	Metric	23-24 Annual performance	Target	Tolerance
KPI03a	N/A	N/A	Service Provider Customer Satisfaction - Complainant	N/A	85%	80-85%
KPI03b	N/A	N/A	Service Provider Customer Satisfaction - Service Provider	N/A	85%	80-85%
KPI05a	N/A	N/A	Stakeholder satisfaction - Effective Learning with Stakeholders	Annual N/A	80%	69-80%
KPI05b	N/A	N/A	Stakeholder satisfaction - Effective Learning with Service Providers	Annual N/A	80%	69-80%
KPI01a		↓	Quality - Reasonable outcome -GET	85%	95%	90-95%
PI08a		↓	Quality - Reasonable service - GET	80%	90%	85-90%
KPI01b	NEW	↑	Quality - Reasonable outcome - FET	98%	95%	90-95%
PI08b	NEW	↑	Quality - Reasonable service - FET	94%	90%	85-90%
KPI01c		↓	Quality - Reasonable outcome - Ombudsman	92%	95%	90-95%
PI08c		↓	Quality - Reasonable service - Ombudsman	90%	90%	85-90%
KPI01d		↓	Quality - Reasonable outcome - Investigator	75%	95%	90-95%
PI08d		↑	Quality - Reasonable service - Investigator	65%	90%	85-90%
PI07		↓	Service complaints (total remedies)	£13,225	£10,000	£10,000-£10,284
KPI02a		↑	Customer journey time – all complexities including FET	305	250	2-10%
KPI02b	N/A	↑	Customer journey time - FET	48	N/A	2-10%
PI03	N/A	N/A	Customer journey time – Investigation time combined	106	N/A	N/A

Appendix A – Strategic Risks and Issues

Strategic issues and risks

Description	Risk Appetite	Q3 Risk Score	Q4 Risk Score	Trend	Management and mitigation	Q4 update	Strategic Objective (service Impact)
Issues							
SI.01 (Backlog of investigation cases)	Open	16	16	⇔	• Reduce Ombudsman decision Work In Progress • Duty ombudsman - daily support available to deal with investigators' technical questions • Specific L1s for new starters to increase consistency of approach and support early investigator relationships. • Identification and reward of high performing staff through celebrating staff, driving a high-performance culture. • Improved Ombudsman training to remove inconsistency and rework.	Operational closure performance has recovered in the second half of the year, with all months in Q4 exceeding the 'Likely' scenarios. We closed 7967 cases against a predicted range of 7544 – 8128. The PAP closed at 3376 vs 4282 at the same time last year (26% reduction). Whilst the PAP is outside of the expected range it demonstrates underlying performance remains strong. Issues stemming from Scheme Rule changes were resolved in the first half of 2023/24, though an increased delay responding to contacts within General enquires remained as a result. Work that has happened to improve attrition has continued to take effect. Q1 and Q2 saw a combined Investigator loss of 27 people, this dropped to just 9 in Q3 and Q4 (Combined) this sharp downturn results from focus on recruiting the right people, improving the onboarding experience and a more nurturing approach. This has relieved pressure on reallocations and will further support PAP reduction and build greater confidence into 2024/25 trajectories. New customer complaints received reduced slightly from 9883 to 9671 (2.2%) this was against an expected drop of 10%. The biggest drops were seen in Q4 with a 15% in quarter reduction, a hopeful sign that scheme rule changes are starting to have an effect.	Service

Strategic issues and risks

Description	Risk Appetite	Q3 Risk Score	Q4 Risk Score	Trend	Management and mitigation	Q4 update	Strategic Objective (service Impact)
Issues							
SI.02 (staff attrition: Corporate and some Operations roles)	Open	20	12	⇩	• Development of new EVP • New Recruitment Policy & processes • Current review of onboarding and induction • Actions arising from Executive workshop re: strategic focus on attrition – first stage in development of attraction and retention strategy	Overall attrition fell in the last two months of Q4 and now stands at 19.5%, a reduction of 2.6% compared to the start of Q4. The current overall attrition target within our risk appetite measures is 19%, placing us within the 'green' category for tolerance. Corporate attrition has remained stable throughout the quarter, finishing at 21.1% in March. As a result of the improving picture the score for SI02 has been reduced to 12.	Service
SI.03 (Operations staff attrition: BAU investigators only)	Open	25	20	⇩	• Development of new EVP • New Recruitment Policy & processes • Current review of onboarding and induction • Actions arising from Executive workshop re: strategic focus on attrition – first stage in development of attraction and retention strategy	Investigator attrition has also fallen during the quarter and now stands at 27.2%, a decrease of 5.6% compared to the start of Q4 and ending the year below the likely-case assumption. Investigator attrition saw a sharp downturn in the second half of 2023/24, just 9 investigators in Q3&Q4 combined from 30 in Q1&2 As a result of the improving picture the score for strategic issue SI03 has been reduced to 20.	Service

Description	Risk Appetite	Q3 Risk Score	Q4 Risk Score	Trend	Management and mitigation	Q4 Update	Strategic Objective (service Impact)
Risks							
SR.01 (Performance Trajectory)	Open	16	16		• Reduce Ombudsman decision Work In Progress • Duty ombudsman - daily support available to deal with investigators' technical questions Proactivity from TLs looking for opportunities to Increase agreed outcomes (both parties to agree view), delivers significant reduction in customer journey times and frees Ombudsman resource. • Increased support for Investigators with lower-than-expected performance ranging from in the moment support through to formal performance monitoring depending on severity • Identification and reward of high performing staff through celebrating staff, driving a high-performance culture. • Improved Ombudsman training to remove inconsistency and rework.	Operational closure performance has recovered in the second half of the year, with all months in Q4 exceeding the 'Likely' scenarios. We closed 7967 cases against a predicted range of 7544 – 8128. The PAP closed at 3376 vs 4282 at the same time last year (26% reduction). Whilst the PAP is outside of the expected range it demonstrates underlying performance remains strong. Issues stemming from Scheme Rule changes were resolved in the first half of 2023/24, though an increased delay responding to contacts within General enquires remained as a result. Work that has happened to improve attrition has continued to take effect. Q1 and Q2 saw a combined Investigator loss of 27 people, this dropped to just 9 in Q3 and Q4 (Combined) this sharp downturn results from focus on recruiting the right people, improving the onboarding experience and a more nurturing approach. This has relieved pressure on reallocations and will further support PAP reduction and build greater confidence into 2024/25 trajectories. New customer complaints received reduced slightly from 9883 to 9671 (2.2%) this was against an expected drop of 10%. The biggest drops were seen in Q4 with a 15% in quarter reduction, a hopeful sign that scheme rule changes are starting to have an effect.	Service

Description	Risk Appetite	Q3 Risk Score	Q4 Risk Score	Trend	Management and mitigation	Q4 Update	Strategic Objective (service Impact)
Risks							
SR.02 (Leadership Resilience)	Cautious	**8**	**8**		• Ongoing monitoring, review and development of Executive and Management Team structure • Clear communication around Executive or Management Team movements and succession planning • Enhancing effective succession planning including as part of future people strategy. • Support for Executive Team and individual resilience.	The residual scoring has maintained a static position under target since Q3. The recruitment of the Finance manager has concluded, and the replacement of the Legal Manager will continue into the new financial year. Greater resilience is in place within the legal team aiding the transition and keeping the risk manageable. Leadership and management attrition remains low within this cohort of staff.	Service
SR.03 (OLC Budget Variance)	Minimal	**8**	**8**		• Finance supporting budget holders to understand actual expenditure and to forecast outturn. • Exec reviewing progress on plans to mitigate underspend / overspend.	The Executive team implemented additional mitigating actions to ensure that the budget variance was within tolerance at the end of the financial year. The additional actions which were implemented were the following: 1) Offering Overtime to ensure performance targets are met and critical projects are completed by the end of the year. 2) Engaging the Catalyst to lead the Lean Review process. 3) Q3 and Q4 Recruitment of replacement Investigators and other operational staff 4) Additional funding on Learning and Development which financed the Lean Six Sigma training to support the Lean Review, Media Training and Concise writing for the Executive team to mention a few. 5) Publication templates and professional support for the design, writing and editing of the 2023/24 annual report and accounts. .	Service

Description	Risk Appetite	Q3 Risk Score	Q4 Risk Score	Trend	Management and mitigation	Q4 Update	Strategic Objective (service Impact)
Risks							
SR.04 (Scheme Rules changes	Cautious	**9**	**9**	⇔	• Detailed reporting suite which provides visibility of cases that are subject to new Scheme Rules • Able to assess the quality of service and outcome on all cases that are subject to new Scheme Rules at all stages of our business process • Enhanced oversight of EDI data for cases that are subject to new scheme rules so that we can be sure that they are not being applied unfairly • Data and insights around the application of scheme rules reported at executive and Board level as well as at quality committee. • Scope to exercise discretion to mitigate the impact of the scheme rules and to allow cases to be progressed if, subject to certain criteria it is fair and reasonable to do so. • Thorough training to all staff about the application of these new scheme rules – with decision makers going through a formal sign off process	The need to adopt a transitional approach to the application of the new scheme rules and particularly the time limits provisions resulted in an increased volume of discretion checks across quarter 1 and 2. Through the agile deployment of operational staff the risk of a significant adverse impact on LeO's performance trajectories was mitigated. By Q4 that increased workload had been cleared and the operational staff deployed to cover that work were able to return to their substantive roles. With LeO's automated eligibility checker now fully deployed the level of discretion checks has reduced considerably to levels manageable by existing resource. During this period LeO actively monitored the impact of the changes to scheme rules on access to justice for our customers and we are assured that no individual group(s) of customers have been disproportionately adversely impacted.As the new scheme rules cannot be applied retrospectively a number of the changes will only impact cases that were accepted after 1 April 2023. As a result we are only now starting to see cases where new rules like Scheme Rule 5.19/20 which relates to access to an ombudsman's decision can be applied. It is too early to say with confidence what the impacts of those changes will be but we will continue to monitor their application to ensure that any risks to our customers or our trajectories is managed and mitigated.	Service
SR.05 (Edward House Lease Renewal)	Cautious	**16**	**12**	⇩	• Fortnightly discussions with MoJ and property agents to progress tenancy / negotiations • Monthly steering group meetings • Regular catch ups with GPA lead	At the end of Q4, LeO are in the final stages of negotiations with the landlord on the proposed terms of the new lease. Financial implications and budgetary risks are being assessed through the negotiations and have been factored into future years' budgets. . The risk will continue to be managed at a strategic level over 24/25 with continued engagement with the MoJ and property agents .	Service

LEGAL OMBUDSMAN