

Meeting	OLC Board Meeting	Agenda Item No. Paper No.	7 134.5
Date of meeting	25 July 2024	Time required	20 Minutes

Title	Integrated Strategic Scorecard Q1 2024/25
Sponsor	Executive Team
Status	OFFICIAL – FOR APPROVAL

Executive Summary

This paper provides OLC Board with the LeO Integrated Performance Balance Scorecard dashboard for Quarter 1 (Apr-Jun) 2024/25. This includes a summary of performance against agreed balanced scorecard key indicators, targets and RAG rating against agreed tolerance.

The Executive have reviewed the balanced scorecard and integrated board reporting in light of feedback from OLC Board. The balanced scorecard has been amended to include the key which shows trend arrows visualising an improving or worsening performance when compared with the previous quarters result (arrow up shows an improvement since last quarter). Where there are indicators without a trend arrow, this is because they have been introduced in this quarter and no comparison is available. Likewise, the RAG rating indicates how the measure has performed against the performance tolerance. Where there is no RAG rating, the tolerance is still to be agreed. This accounts for metrics that have a RAG rating but don't have a trend arrow.

There are five new indicators to be introduced to the balanced scorecard and work is ongoing to develop these.

Board are reminded that the presentation of the balanced scorecard will be developed in PowerBI during this quarter and be presented in a similar way to how the Agreed Data Set was reported. This will improve the general presentation and allow users to drill through into each metric to see up to four quarters' worth of data.

Recommendation or action required
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Board is asked to Approve the new Strategic Scorecard and all measures proposed, including the revised reporting format and frequency.

Equality Diversity and Inclusion

EDI implications	Yes
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The Strategic Scorecard provides a summary of reporting and performance across LeO, including in relation to LeO's customers and people. It therefore covers a wide range of areas with the potential to impact from an EDI perspective. These are considered routinely across business areas as appropriate.

Freedom of Information Act 2000 (Fol)
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Paragraph reference	Fol exemption and summary
N/A	N/A

Balanced Scorecard - narrative

People	Resource and Governance
<p>Overall attrition has continued to fall throughout Q1 and in June stood at 15.2%, a reduction of 4.3%. Overall quarterly performance was 16.3% against a target of 19%, placing it within the green tolerance level.</p> <p>Investigator attrition has also fallen during the quarter: 22.2% against a target of 19%, placing it within the amber tolerance level and a 5% decrease. The improving trend in attrition can also be seen with corporate attrition: 12.7% in June, an 8.4% reduction on the end of Q4. Overall quarterly performance was 17.6%.</p> <p>Overall turnover rate is also improving, standing at 15.1%, a decrease of 4.3%. Overall quarterly performance was 16.1% against a target of 21%, placing it within the green tolerance level.</p> <p>Sickness absence levels increased during Q1, from an average of 14.01 days per employee at the start of the quarter to 14.85 days at the end. Overall quarterly performance was 14.5 days against a target of 11 days, resulting in an amber RAG rating.</p>	<p>Year-end forecast at the end of Q1 was a -£61k (0.34%) budget variance. Pay remit guidance delays present a risk of a worsening position, with further details provided in the Chief Ombudsman’s summary.</p> <p>Total unit cost for Q1 was £2,039, a decrease of 4.6% compared to 2023/24 Q1 (£2,137), reflecting a 9% year on year increase in total case closures. Cost per early resolution outcome was £512.46 compared to £454.75 in Q1 2023/24, reflecting a year on year 3.2% reduction in early resolution outcomes as Ombudsman resource has been re-direct to Investigations decisions.</p> <p>Cost per investigation outcome was £1,595.91 vs £1,908 in Q1 prior year, reflecting the 9% higher investigated case closures.</p> <p>SI02 (BAU attrition) and SR03 (budget variance) have reduced in scoring in Q1. SR05 (GPA Hub) is out of tolerance due to LeO not receiving the cost model and requirements specification. All three issues remain high in scoring, as well as three out of the seven risks all scoring 12 or above. No risks or issues are deemed critical and have a score higher than 16 – this is an improved picture from quarter 4.</p>
Operational Performance & Efficiency	Customer Experience
<p>Q1 closure performance was strong, resolving 2045 cases against an assumed range of 1859 – 2015 (101.5% of the upper range). Unallocated Investigations are outside of the expected range due to 2023/24 additional carry over. Had this not been the case performance would have been within expected ranges (3071– 3344).</p> <p>New customer complaints received reduced in Q1, showing a 10.5% year on year reduction - this was against an expected drop of 15% for 2024/25. June in isolation saw a 23.5% in month reduction, a continued sign that scheme rule changes are taking effect.</p> <p>Investigator productivity fell from 6.4 to 5.79, in part due to Ombudsman deployment to higher complexity decisions, taking more time to complete.</p>	<p>Underlying performance against quality metrics remains strong and continues to provide assurance that the standard of casework delivered is high. Performance within the investigator cohort is still below acceptable levels but has shown signs of solid improvement this quarter.</p> <p>Levels of customer satisfaction are closely linked to the investigation outcome. Results where customers are unhappy with case outcome are highly volatile due to low sample sizes</p> <p>Customer journey time reduced across Q1 to 295 days from 297. Early Resolution CJT increased from 48 to 50 days in the same period, still within LeO’s expectation of 60 days. The number of cases closed within 90 days remained over 40% at 41.5%, with a higher year on year number (though lower proportion) of cases being resolved under 90 days in Q1 2024/25 as we focus on resolving older full investigations.</p>

Integrated Strategic Scorecard Q1 2024/25

People						Resource and Governance						
RAG	Trend	Metric	Quarterly performance	Target	Tolerance	RAG	Trend	Metric	Quarterly performance	Target	Tolerance	
	↓	Sickness, lost days per head	14.5	11	13-18		↑	Total Unit cost	£2,039	£2,065	3-7%	
	↑	Staff Attrition	16.3%	19%	1-4%			Cost per Early Resolution outcome	£512.46	£492	3-7%	
	↑	Staff Turnover	16.1%	21%	1-4%			Cost per Investigation outcome	£1,595.91	£1,669	3-7%	
	↑	Investigator Attrition	22.5%	19%	1-4%			Forecast year end position	0.34%	1%	2-3%	
								Number of Strategic risks out of tolerance	1			
								% of Strategic risks and issues rated critical / high	60%			
Operational Performance & Efficiency						Customer Experience						
RAG	Trend	Metric	Quarterly performance	Target	Tolerance	RAG	Trend	Metric	Quarterly performance	Target	Tolerance	
	↑	New Customer Complaints Received	2110	2040	15%		↓	Customer Journey Time - Combined	306	250	2-10%	
	↓	Cases resolved	2044	2015	2015-1859			Customer Journey Time - resolved in less than 60 days	36.10%	40%	10%	
	↓	Unallocated Investigations	3,495	3,071	3071-3344			Customer Journey Time - resolved in less than 90 days	41.51%	45%	10%	
	↓	Established Investigator Productivity	5.76	6	10%			Customer Journey Time - resolved in less than 180 days	48.16%	50%	10%	
								Customer Journey Time - resolved in more than 180 days	51.84%	50%	10%	
								Combined wait times for unallocated investigations	219	200	0	
								Quality - Reasonable outcome - Early Resolutions	100%	95%	90-94%	
								Quality - Reasonable service - Early Resolutions	92%	90%	85-89%	
							↓	Quality - Reasonable outcome - Ombudsman	93%	95%	90-94%	
	Arrow trend logic						↓	Quality - Reasonable service - Ombudsman	94%	90%	85-89%	
	Arrows up shows improving trend from last Qtr. Down shows a worsening trend. RAG shows performance against tolerance.						↑	Quality - Reasonable outcome - Investigator	80%	95%	90-94%	
								↑	Quality - Reasonable service - Investigator	71%	90%	85-89%
								↑	Customer Satisfaction: complainant - Satisfied with outcome, satisfied with service	94%	85%	80-84%
								↓	Customer Satisfaction: complainant - Dissatisfied with outcome, satisfied with service	5%	15%	10-14%
								↓	Customer Satisfaction: service provider - Satisfied with outcome, satisfied with service	93%	85%	80-84%
								↓	Customer Satisfaction: service provider - Dissatisfied with outcome, satisfied with service	9%	15%	10-14%

Appendix A – Strategic Risks and Issues

Strategic issues and risks

Description	Risk Appetite	Q4 Risk Score	Q1 Risk Score	Tolerable Position	Trend	Management and mitigation	Q1 update	Strategic Objective (service Impact)
Issues								
SI.01 Unacceptable queue of cases	Eager	16	16	Within tolerance		<ul style="list-style-type: none"> Reduce Ombudsman decision Work In Progress Duty ombudsman - daily support available to deal with investigators' technical questions Specific ombudsman 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. 	<p>There is an expectation through Q1 that the queue of unallocated investigations would rise, before falling throughout Q2, due to the cyclic nature of LeO's recruitment and bringing new starters up to desired outputs.</p> <p>The volume of unallocated investigations was anticipated to shift from the predicted 3000 year-end figure to a range of 3071 – 3344 by the end of Q1. LeO entered 2024/25 at 3,376 customers awaiting an investigation, 376 more than assumed in the trajectory setting process, had this not been the case performance would have been within the expected ranges.</p>	Service

Strategic issues and risks

Description	Risk Appetite	Q4 Risk Score	Q1 Risk Score	Tolerable Position	Trend	Management and mitigation	Q1 update	Strategic Objective (service Impact)
Issues								
SI.02 Staff Attrition – Corporate and Operations roles (other than investigators)	Open	12	12	Within tolerance	↔	<ul style="list-style-type: none"> • 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 for the fifth consecutive month in Q1 and now stands at 15.2% a reduction of 4.3% compared to the start of Q1. Corporate attrition is improving, it fell on a month-by month basis throughout Q1, from 21.1% at the end of Q4 (March) to 12.7% at the end of Q1 (June). Overall quarterly performance is 17.6%	Service

Strategic issues and risks

Description	Risk Appetite	Q4 Risk Score	Q1 Risk Score	Tolerable Position	Trend	Management and mitigation	Q1 update	Strategic Objective (service Impact)
Issues								
SI.03 Staff attrition – BAU investigators	Open	20	15	Outside tolerance		<ul style="list-style-type: none"> • 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 	The residual rating has reduced from 20 to 15. Investigator attrition has fallen for four consecutive months. Now stabilising at 22.2% in June. The improved induction programme and support for new investigators has been a contributing factor. If continuing at this trajectory we will be within tolerance at the end of Q2.	Service

Strategic issues and risks

Description	Risk Appetite	Q4 Risk Score	Q1 Risk Score	Tolerable Position	Trend	Management and mitigation	Q1 update	Strategic Objective (service Impact)
Risks								
SR.01 Failure to meet business plan improvements in customer experience	Eager	16	16	Within tolerance		<ul style="list-style-type: none"> 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. 	Customer journey time and wait times have remained stable in Q1, despite anticipated increases in unallocated investigations. Across early resolution and investigations, 41.5% of cases were resolved within 90 days, though this is a 3.5% reduction on the previous year, the volume of cases resolved within 90 days increased from 770 to 795. The percentage decrease is attributed to an operational focus on resolving older investigated cases, with the split of cases resolved in investigation increasing to 53% during Q1 2024/25 from 47% in the previous year. For complaints resolved through early resolution, the average time of closure increased marginally to 50 days from 48, well within the expected 60 days expectation. LeO's strong performance experienced in that second half of 2023/24 has continued into 2024/25, with the number of cases resolved exceeding upper expectations at 2045 vs an expected range of 2045 – 2015, a 9.7% increase on the same period in 2023/24.	Service

Strategic issues and risks

Description	Risk Appetite	Q4 Risk Score	Q1 Risk Score	Tolerable Position	Trend	Management and mitigation	Q1 update	Strategic Objective (service Impact)
Risks								
SR.02 Leadership resilience	Cautious	8	8	Within tolerance		<ul style="list-style-type: none"> 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. 	<p>Risk scoring remains stable and within tolerance based on appetite. Leadership and management is stable with no attrition within Executive Team. Pressures on resilience remain in terms of capacity and workload but overall remains within a tolerance level. At Management level (which impacts the overall resilience of LeO's leadership) operational management resilience remains stable with low attrition. The recruitment of a Finance Manager and Legal Manager has added to resilience despite challenges and delays in recruiting due to market and salary conditions and the specialist nature of these roles.</p> <p>This resilience is offset by the loss of the Programme Manager who has a key role in ensuring programme delivery of key projects and the busies plan deliverables across the organisation. This adds resilience challenges to the HoPM&A and the Programme Team. Overall, however, resilience remains manageable and at a similar level as previous quarters and within tolerance.</p>	Service

Strategic issues and risks

Description	Risk Appetite	Q4 Risk Score	Q1 Risk Score	Tolerable Position	Trend	Management and mitigation	Q1 update	Strategic Objective (service Impact)
Risks								
SR.03 Budget Variance Against Forecast	Minimal	8	4	Within tolerance	↓	<ul style="list-style-type: none"> Finance supporting budget holders to understand actual expenditure and to forecast outturn. Exec reviewing progress on plans to mitigate underspend / overspend. 	Most of the monthly financial review meetings were held with budget holders from the 9th to the 15th of July. The Executive are due to review the forecast on 24 July 2024. The outturn forecast is currently an underspend of £61k (-0.34%) which is within the 1% MoJ tolerance level.	Service

Strategic issues and risks

Description	Risk Appetite	Q4 Risk Score	Q1 Risk Score	Tolerable Position	Trend	Management and mitigation	Q1 update	Strategic Objective (service Impact)
Risks								
SR.04 Scheme Rules Changes	Cautious	9	9	Within tolerance		<ul style="list-style-type: none"> 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 impacts of the changes to LeOs time limits are now well known and understood with the risk of any adverse impact being managed. We continue to have a degree of uncertainty around the impacts of the other SR changes as these rules have yet to be applied in any significant number. We will continue to monitor these changes as they become more prevalent to be alive to any unintended adverse impacts. Consideration has already been given to likely adverse impacts and mitigating actions that can be taken if any such impacts become evident. The ongoing monitoring of EDI data provides continued assurance that the changes that are already in force are not having a disproportionate impact on any group / groups of our customers. Planned developments to the collection of EDI data will also provide yet further assurance and insight into the impacts of changes.	Service

Strategic issues and risks

Description	Risk Appetite	Q4 Risk Score	Q1 Risk Score	Tolerable Position	Trend	Management and mitigation	Q1 update	Strategic Objective (service Impact)
Risks								
SR.05 GPA Birmingham Hub	Cautious	12	12	Outside tolerance		<ul style="list-style-type: none"> 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 	Edward House lease renewal discussions are well advanced as they approach the final stages. Heads of Terms approved by LeO Steering Group and MoJ have instructed solicitors and also initiated the PCAR (property controls) process. A meeting was held with GPA colleagues in early July where the Hub 3 layout was presented. However, we LeO are still waiting for costs to be provided as part of the standard offer and as such LeO cant; assess the potential impact on budget and / or if the hub will meet LeOs office requirements.	Service

Strategic issues and risks

Description	Risk Appetite	Q1 Risk Score	Tolerable Position	Management and mitigation	Q1 update	Strategic Objective (service Impact)
Risks						
SR.06 Insufficient resource to deliver impact objective	Open	8	Within tolerance	<ul style="list-style-type: none"> Recruiting additional ombudsman resource to support the deliver of learning and feedback. Active recruitment to build capacity and increase resilience in the team. Regular discussions with operations to learn and anticipate resource needs. Oversite of delivery commitments under this objective. Enterprise Risk Manager to introduce controls, mitigating actions with set target dates and linking any potential risks/issues through the new risk system by 31st August. 	Recruitment for priority roles is progressing. Opportunities for early improvements for increasing transparency within existing resource have been identified and are being progressed. LeO continues to deliver stakeholder engagement programme with existing resource. Key stakeholders are aware of current resource limitations and active conversations are ongoing about ramping up plans over the course of the year.	Service
SR.07 Inability to absorb demand	Open	12	Within tolerance	<ul style="list-style-type: none"> Enterprise Risk Manager to introduce controls, mitigating actions with set target dates and linking any potential risks/issues through the new risk system by 31st August. Continued/ongoing monitoring of reduction in demand for service Developing more strategic and effective engagement with regulators and the legal sector more widely, sharing LeO's insights to help prevent complaints at source. Operational-level relationship management to support this engagement, helping drive better first tier complaint handling and reduce demand for LeO. New suite of reporting currently in design/being compiled to act as early warning alert system Further work on understanding Jurisdiction challenge volumes that are contributing to accepted case % as well as having increased resource impact Low Low Pilot that is enabling faster throughout thus reducing customer journey and creating capacity for new investigations to start Developing Support and Development programme to enhance performance and reduce size of investigations, to reduce customer journey and create capacity for new investigations to start 	Demand in Q1 was a mixed picture, with an increase in April resulting from the early timing of Easter and only 1 week attributed to April. Both June and July decreased more significantly. The overall affect was a 10% decrease in demand with an expected decrease of 15% due to scheme rules time limit changes. The reductions in June and July gives some continued confidence that the changes are taking effect.	Service