

Meeting	OLC Board	Agenda item Paper number	4 132.3
Date of meeting	25 April 2024	Time required	30 minutes

Title	Integrated Balanced Scorecard reporting
Sponsor	Executive Team
Status	OFFICIAL

Executive summary

This paper provides OLC Board with the LeO integrated performance balance scorecard dashboard. 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 discussion and feedback from OLC Board in January. The balanced scorecard has been amended to now show direction of travel indicators for all metrics, measured against performance tolerances. The Executive are further considering the correlation between narrative and indicators and strategic alignment of enablers - with an aim for further changes and developments to be reflected in July Board papers.

Board views on format and content continue to be welcomed as we evolve and develop this to deliver strategic performance reporting.

The Executive are undertaking a fuller review of indicators contained within the Commonly Agreed Dataset (ADS) with a view to developing a revised strategic ADS in consultation with OLC, MOJ and LSB. This will be a longer-term project over the course of 2024/25 but with initial engagement on a rationalised Strategic Dataset to be scheduled for Quarter 1. We will provide further information on this for OLC Board in due course.

Recommendation or action required

The Board is asked to provide **Feedback** on the revised reporting format.

Equality, diversity and inclusion

Does this paper have EDI implications?	Explanation
Yes	The performance dashboard and supporting narrative provides a summary of activity and performance across LeO, including in relation to LeO's customers and people. It therefore covers a wide range of areas with the potential for EDI-related impacts. These are considered routinely across business areas as appropriate.

Freedom of Information Act 2000

Paragraph reference Fol exemption and summary

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N/a

N/a

Balanced scorecard – narrative

People	VfM, Resources and governance
<p>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.</p> <p>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.</p> <p>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.</p>	<p>The final 2023/24 position was a -£3k (0.02%) budget variance. This includes provision of £166k for lease dilapidation.</p> <p>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.</p> <p>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.</p> <p>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.</p>
Operational performance and efficiency	Customer experience
<p>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.</p> <p>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.</p> <p>All new cohorts (April 2023/ May 2023 September 2023) are outperforming established investigators from a productivity perspective.</p>	<p>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.</p> <p>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.</p> <p>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 rather than an increase in the proportion of service complaints that are upheld.</p>

Balanced scorecard – Quarter 4 2023-24


People						Resources and governance					
Ref	RAG / Trend	Metric	Quarterly performance	Target	Tolerance	Ref	RAG / Trend	Metric	Quarterly performance	Target	Tolerance
PI09	➡	Days lost to sickness	13.55	11	13-18	KPI06	⬆	Total Unit cost	£2177	£6195	3-7%
PI11	⬇	Staff Attrition (All permanent Voluntary Leavers)	19.5%	19%	1-4%	BM06	➡	Number of completed internal audits rated moderate or substantial	100%	N/A	50-75%
KPI07	⬇	Monthly and rolling turnover rate – all	19.9%	21	1-4%	PI17	⬆	Budget variance against forecast	10.48%	5%	5-10%
						BM05		Cost per contact received YTD	£13.26	N/A	N/A
Operational performance and efficiency						Customer experience					
Ref	RAG / Trend	Metric	Quarterly performance	Target	Tolerance	Ref	RAG / Trend	Metric	Quarterly performance	Target	Tolerance
MI15	⬆	Cases Triaged by GET	1962	1593	2-5%	KPI03a	N/A	Customer Satisfaction - Complainant	N/A	85%	80-85%
MI11	⬆	Cases resolved (including FET)	2155	1895	5-8%	KPI03b	N/A	Customer Satisfaction - Service Provider	N/A	85%	80-85%
NEW	⬆	New Customer Complaints	2386	2037	N/A	KPI05a	N/A	Stakeholder satisfaction - Learning with Stakeholders	Annual N/A	80%	69-80%
KPI08	⬆	Volume of cases awaiting assessment	3,376	1784	2636	KPI05b	N/A	Stakeholder satisfaction - Learning with Service Providers	Annual N/A	80%	69-80%
NEW	⬆	Number of Contacts YTD	125182	N/A	N/A	KPI01a	⬆	Quality - Reasonable outcome -GET	97%	95%	90-95%
						PI08a	⬆	Quality - Reasonable service - GET	93%	90%	85-90%
						KPI01b	NEW	Quality - Reasonable outcome - ER	N/A	N/A	N/A
						PI08b	NEW	Quality - Reasonable service – ER	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	⬆	Customer journey time - FET	48	60	2-10%
						PI03	⬆	Total Investigation time	106	N/A	N/A

Balanced scorecard – Annual 23-24

People						Resources and governance					
Ref	RAG / Trend	Metric	23-24 Annual performance	Target	Tolerance	Ref	RAG / Trend	Metric	23-24 Annual performance	Target	Tolerance
PI09	↑	Days lost to sickness	13.55	11	13-18	KPI06	↓	Total Unit cost	£2106	£2,165	3-7%
PI11	↑	Staff Attrition (All permanent Voluntary Leavers)	19.5%	19%	1-4%	BM06	→	Number of completed internal audits rated moderate or substantial	100%	N/A	50-75%
KPI07	↓	Monthly and rolling turnover rate – all	19.9%	21	1-4%	PI17	↑	Budget variance against forecast	-0.20%	+/- 1%	5-10%
						BM05		Cost per contact received YTD	£13.16	N/A	N/A
Operational performance and efficiency						Customer experience					
Ref	RAG / Trend	Metric	23-24 Annual performance	Target	Tolerance	Ref	RAG / Trend	Metric	23-24 Annual performance	Target	Tolerance
MI15		Cases Triaged by GET	6979	6930	2-5%	KPI03a	N/A	Customer Satisfaction - Complainant	N/A	85%	80-85%
MI11	↓	Cases resolved (including FET)	7967	8128	5-8%	KPI03b	N/A	Customer Satisfaction - Service Provider	N/A	85%	80-85%
NEW	↓	New Customer Complaints	9669	9228	N/A	KPI05a	N/A	Stakeholder satisfaction - Learning	Annual N/A	80%	69-80%
KPI08	↓	Volume of cases awaiting assessment	3,376	1784	2636	KPI05b	N/A	Service Providers satisfaction - Learning	Annual N/A	80%	69-80%
NEW	↑	Number of Contacts YTD	125,448	N/A	N/A	KPI01a	↓	Quality - Reasonable outcome -GET	85%	95%	90-95%
						PI08a	↓	Quality - Reasonable service - GET	80%	90%	85-90%
						KPI01b	NEW	Quality - Reasonable outcome - ER	N/A	N/A	N/A
						PI08b	NEW	Quality - Reasonable service - ER	N/A	N/A	N/A
						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	67%	90%	85-90%
						PI07	↑	Service complaints (total remedies)	£13,225	£10,000	£2500-£2751
						KPI02a	↑	Customer journey time – all complexities including FET	305	250	2-10%
						KPI02b	↑	Customer journey time - FET	48	60	2-10%
						PI03	↑	Total investigation time	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		<ul style="list-style-type: none"> 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. 	<p>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.</p> <p>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.</p>	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	↓	<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 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	↓	<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 	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		<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. 	<p>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.</p> <p>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.</p>	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		<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. 	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		<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. 	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		<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 	<p>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.</p> <p>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.</p>	Service
SR.05 (Edward House Lease Renewal)	Cautious	16	12		<ul style="list-style-type: none"> Fortnightly discussions with MoJ and property agents to progress tenancy / negotiations Monthly steering group meetings Regular catch ups with GPA lead 	<p>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. .</p> <p>The risk will continue to be managed at a strategic level over 24/25 with continued engagement with the MoJ and property agents .</p>	Service