

Meeting	OLC Board	Agenda Item No. Paper No.	2 137.1B
Date of meeting	29 January 2025	Time required	To be discussed as part of the wider 60 minute discussion on the Budget, Business Plan and Budget Acceptance Criteria

Title	Performance Subgroup Update
Sponsor	Martin Spencer – Chair, Performance Sub Group
Status	OFFICIAL
To be communicated to:	OLC Board

Executive summary
<p>Performance Subgroup meeting was held 8 January 2025 to review assumptions and trajectories for 2025/26 as LeO progressed with the development of the budget and business plan and LSB budget acceptance criteria ahead of submission in February. The Executive presented two papers to update and assure Performance Subgroup on assumption and forecasts considering a further four months of in-year data.</p> <p>The first paper updated on general performance, demand and sickness. Underlying resolution performance had remained robust, with the end year forecast 2024/25 on track to exceed 8400 cases, in line with, and potentially exceeding, the upper ranges of the 2024/25 Business Plan forecasts. Demand, however continued to be a challenge. Core demand increases, although had been more stable with a marginal increase of 1.7% in Quarter 3. In-depth investigation demand – the cases that directly influence unallocated investigations - had increased, now expected to be at 4300 for 2024/25, beyond the 4050 – 4250 forecast range at the half year point. A 9.7% increase in Quarter 3 when compared to the same period last year and 26.7% Year to date, though this does include demand that had been carried into 2024/25 from 2023/24 resulting from additional work created by the implementation of new scheme rule, around 300 additional cases</p> <p>A decrease in sickness absence since September’s Performance Subgroup from over 12 FTE investigators per month to around 9 FTE is having a positive effect on output and the volumes of reallocations. This positive trend has been factored into 2025/26 trajectories.</p> <p>The second paper provided a summary of the Executive’s review of assumptions for 2024/25 forecasts with suggestions for amendment of assumptions, these included an increase in in-depth investigations demand of 120 cases to reflect expected 2024/25 forecasts and a reduction in sickness absence to include improvements made since July 2024.</p> <p>Investigator attrition had also been increased slightly to reflect internal attrition. It was explained that external attrition had reduced significantly, but that the numbers of investigators taking up opportunities for promotion within LeO has increased. Whilst this is positive in terms of improving opportunities and pathways for staff, the impact on trajectories is the same as it is for external attrition. Although external messaging already reflects the</p>

positive element of this attrition, the Executive agreed that subsequent trajectory models and assumptions will separate internal and external attrition as separate assumptions. To ensure accuracy of forecasts all data was based on actual performance to the end of Quarter 3 2024/25.

On this basis, two options were presented for 2025/26 forecast trajectories. Both forecasts assumed a new cohort of 13 investigators in March 2025 and May 2025 as previously agreed by the OLC Board in draft proposals agreed and submitted to LSB in October. The second option included additional resource to allow for preparations and resilience as LeO prepares for implementing the transparency agenda:

- **Option 1** - An update of trajectories included in the draft October 2024 Budget Acceptance Criteria as consulted on. To include updates to assumptions based on the most up to date data, Quarter 3 2024. This revised forecast gives a closure range of **8071 - 8866** and Unallocated Investigations volumes at **3098 - 2151** (Lower to Likely) at end March 2026
- **Option 2** recommended an additional 13 FTE Investigators starting in September 2025. It was proposed that £70,000 of the additional cost of this being taken from an anticipated transparency budget. This additional staff would allow LeO to build resilience in operations to offset expected internal promotions as LeO builds transparency capacity. The remainder of the cost form part of the original budget ask, and an increased vacancy factor from Quarter 3 2025/26. This forecast gives a closure range of **8166 - 8932** and Unallocated Investigations volumes at **2853 - 1929** (Lower to Likely) at 31st March 2025

The key messages from the Performance Subgroup were clear: demand, particularly in in-depth investigations, has continued to see a sustained increase, particularly in in-depth investigations, and sickness has improved having a positive effect on trajectories. LeO's transparency agenda will have an impact on future trajectories as resource shifts from operations to transparency roles from Quarter 3 2025/26 and as we start to build transparency checks by operational staff into LeO's investigative process. Option 2 supports the necessary building of operational resilience to mitigate the inevitable impact of this on trajectories and support preparation and development of LeO's approach to publishing decisions.

Following detailed discussion, Performance Subgroup endorsed Option 2 as the preferred trajectory approach from a performance perspective, recognising the importance of planning the necessary resilience for transparency. Performance Subgroup and the Executive also acknowledged that the wider implications on overall budget proposal and transparency would be matters to be considered more fully by OLC Board at the January meeting.

Recommendation/action required

The feedback from Performance Subgroup is to be delivered and discussed at the 29th January 2025 OLC board, to support OLC board in forming a final agreed approach to forecasts and budget setting for 2025/26

Equality Diversity and Inclusion

EDI implications **No**

No EDI Implications

Freedom of Information Act 2000 (Fol)	
Paragraph reference	Fol exemption and summary
	None