

<b>Meeting</b>	OLC Board Meeting	<b>Agenda Item No.</b>	7
		<b>Paper No.</b>	134.6
<b>Date of meeting</b>	25 July 2024	<b>Time required</b>	10 minutes

<b>Title</b>	<b>Strategic Scorecard for 2024/25</b>
<b>Sponsor</b>	Paul McFadden, Chief Ombudsman
<b>Status</b>	OFFICIAL – FOR APPROVAL

### Executive Summary

As part of the drive to build and sustain confidence in LeO through its recovery period, LeO has taken a full transparency approach to its data reporting to LSB and MOJ via a Commonly Agreed Data Set (ADS). Since 2021, reporting has included a detailed look at 66 metrics, many have provided a detailed view of operational reporting and progress across a range of agreed indicators. This has been reported on a monthly reporting cycle.

In light of LeO's improved stakeholder confidence and performance position, and as we move into the new 2024-2027 strategic period, LeO has reviewed its internal and external reporting. This review aligns this with discussions on more strategic reporting and assurance through the OLC Board effectiveness review and development of a strategic balanced scorecard approach to reporting LeO's performance to the OLC Board.

The Executive have reviewed indicators to identify those that are either not at the level required to give the necessary strategic oversight or duplicate the assurance provided. The review found that many of the current metrics remained fit for purpose and should remain, but in some areas assurance was too granular.

The Executive are also of the view that the timetable of reporting monthly on the ADS is unnecessary to providing the required assurance on the strategic performance position and should be replaced with a quarterly approach. The current monthly cycle is also a resource intensive process with one FTE analyst required to produce and contextualise monthly data and resource across the organisation required to test, assure and prepare summary narratives, a resource that would be better used delivering analytics aligned to future business needs.

The proposed indicators follow on from and align with the balanced scorecard approach to performance reporting to the OLC Board implemented over the course of 2023/24. Subject to OLC Board approval, they will be used as the basis to inform discussions on our future approach to reporting assurance to the LSB and MOJ as our key governance stakeholders.

This paper outlines a summary of what changes proposed to LeO's performance indicators, the format of the Strategic Scorecard and the frequency of the performance reporting. Under the terms of the Tripartite Protocol between the OLC, LSB and MOJ, the OLC Board are required to formally approve the indicators.

<b>Recommendation or action required</b>	
Board is asked to <b>approve</b> the new Strategic Scorecard and all indicators proposed, including the proposed changes to revised reporting format and frequency with regard to the LSB and OLC.	
<b>Equality Diversity and Inclusion</b>	
<b>EDI implications</b>	<b>Yes</b>
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.	
<b>Freedom of Information Act 2000 (Fol)</b>	
<b>Paragraph reference</b>	<b>Fol exemption and summary</b>
N/A	N/A

# Strategic Scorecard

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LeO's Executive have developed a set of strategic metrics and amended reporting cycle for the Agreed Data Set provided to OLC, LSB and MOJ on a monthly basis. A new, quarterly Strategic Scorecard is proposed, moving LeO's high level reporting into a more strategic space. This will continue to meet the needs of LeO's key stakeholders and ensure full transparency in LeO's remains paramount.

The proposed approach builds on the Balanced Scorecard that has been widely discussed and used in recent OLC Board reporting. For OLC Board, each quadrant will continue to be accompanied with an summary narrative alongside the Chief Ombudsman's report, pulling together overall quarterly progress against targets and agreed tolerance levels.

For Q1 performance reporting, we will continue to use a PowerPoint version of the balanced scorecard, albeit with the new strategic measures included where possible. From Q2, this will be delivered through PowerBi, allowing users to 'drill through' for more detail, with PDF functionality if required. A mock-up of how PowerBi reporting will look has been included for reference (appendix 2 a, b, c).

A Strategic Scorecard delivers one reporting style for OLC Board, LSB and MOJ, aligning the three reporting schedules. The Executive remain in contact with external stakeholders, to ensure their needs are met and that the transition to quarterly strategic reporting completes as expected.

Attached is a full list of metrics that are to be retained from the previous Agreed Data Set, metrics that are being removed and the suite of new metrics that are being developed to ensure delivery of strategic oversight. (appendix 1)

## Appendix 1

Shows which ADS measures have been removed and what has been added to the Strategic Scorecard

	<b>People</b>
Retained	Sickness, lost days per head
Retained	Staff Attrition
Retained	Staff Turnover
New	Investigator Attrition
New	Promotion Pathway
New	Pulse Survey
	<b>Operational Performance and Efficiency</b>
Retained	Unallocated Investigations
Retained	Established Investigator Productivity
Retained	Complaints Resolved
New	New Customer Complaints Received
New	Percentage of new customer complaints received that are premature
New	Percentage of investigations that found poor Tier-1 Complaints Handling
	<b>Customer Experience</b>
Retained	Customer Satisfaction: complainant - Satisfied with outcome, satisfied with service
Retained	Customer Satisfaction: complainant - Dissatisfied with outcome, satisfied with service
Retained	Customer Satisfaction: service provider - Satisfied with outcome, satisfied with service
Retained	Customer Satisfaction: service provider - Dissatisfied with outcome, satisfied with service
Retained	Quality - Reasonable outcome - Early Resolution
Retained	Quality - Reasonable service - Early Resolution
Retained	Quality - Reasonable outcome - Investigation
Retained	Quality - Reasonable service - Investigation
Retained	Quality - Reasonable outcome - Ombudsman
Retained	Quality - Reasonable service - Ombudsman
Retained	Customer Journey Time - Combined
Retained	Combined wait times for unallocated investigations
New	Combined "touchpoints"
New	Customer Journey Time - resolved in less than 60 days
New	Customer Journey Time - resolved in less than 90 days
New	Customer Journey Time - resolved in less than 180 days
New	Customer Journey Time - resolved in more than 180 days
	<b>Resource and Governance</b>
Retained	Total Unit Cost
Retained	Percentage of Strategic risks rated critical/high
New	Forecast year end position
New	Cost per early resolution outcome
New	Cost per investigation outcome
New	Number of Strategic risks out of tolerance

**Agreed Data Set measures, removed from Strategic Scorecard**

Removed	Productive Established FTE	This metric is not required at a strategic level, but has been retained in business level reporting to inform day to day business decisions
Removed	Percentage of established / developing Investigators	This metric is not required at a strategic level, but has been retained in business level reporting to inform day to day business decisions
Removed	Staff retention - average length of service	Replaced with Promotion Pathway measure
Removed	Monthly and rolling turnover rate by cohort	This metric covers several cohorts and is captured in Staff Turnover measure
Removed	Employee engagement - staff survey / engagement index.	Current metric derives from annual Civil Service People Survey. Proposal to use a quarterly pulse survey for more timely data.
Removed	Cases accepted for investigation (BAU only)	These are business unit measures not required at the strategic level, all will be retained at the business unit level to inform day to day business decisions and planning.
Removed	Productivity per (established) investigator	Removed - Combined figure gives better insight into LeO's performance, reflecting substantial contribution of early resolution to LeO's output and customers' experience.
Removed	Productivity per Front End Team investigator	
Removed	Cases taken from the PAP to Investigation.	Customer Journey time is a measure of customer experience and has been moved to reflect this. Strategic measure gives a combined view of customer experience by age banding. All measures will be retained in business unit reporting to inform day to day planning and decisions.
Removed	Average wait time for written contact to be responded to	
Removed	Current average wait time in pre-assessment pool - <b>Low</b>	
Removed	Current average wait time in pre-assessment pool - <b>Medium</b>	
Removed	Current average wait time in pre-assessment pool - <b>High</b>	
Removed	Average time in PAP for cases taken out - <b>Low</b>	
Removed	Average time in PAP for cases taken out - <b>Medium</b>	

Removed	Average time in PAP for cases taken out - <b>High</b>	Not required at strategic level, retained as a business unit measure.
Removed	Average time in PAP for cases taken out - <b>All cases</b>	
Removed	Average age of open WIP by stage	
Removed	Volume of open cases in open WIP by stage	
Removed	Cases closed prior to investigation	
Removed	Early Proportionality Queue WIP	
Removed	Cases Triaged by GET	
Removed	Service Level - General Enquiries Team	
No	Average case-holding per investigator	
Removed	Customer Journey Time - <b>High</b>	Customer Journey time has been replaced with the percentage of cases resolved in time bandings as per the new measures above. This removes a granularity of detail not required at the strategic level. All measures will be retained in business unit reporting to inform day to day business planning and decisions.
Removed	Customer Journey Time - <b>Medium</b>	
Removed	Customer Journey Time - <b>Low</b>	
Removed	Customer Journey Time - <b>ER</b>	
Removed	Customer journey - Investigation time - <b>Low</b>	
Removed	Customer journey - Investigation time - <b>Medium</b>	
Removed	Customer journey - Investigation time - <b>High</b>	

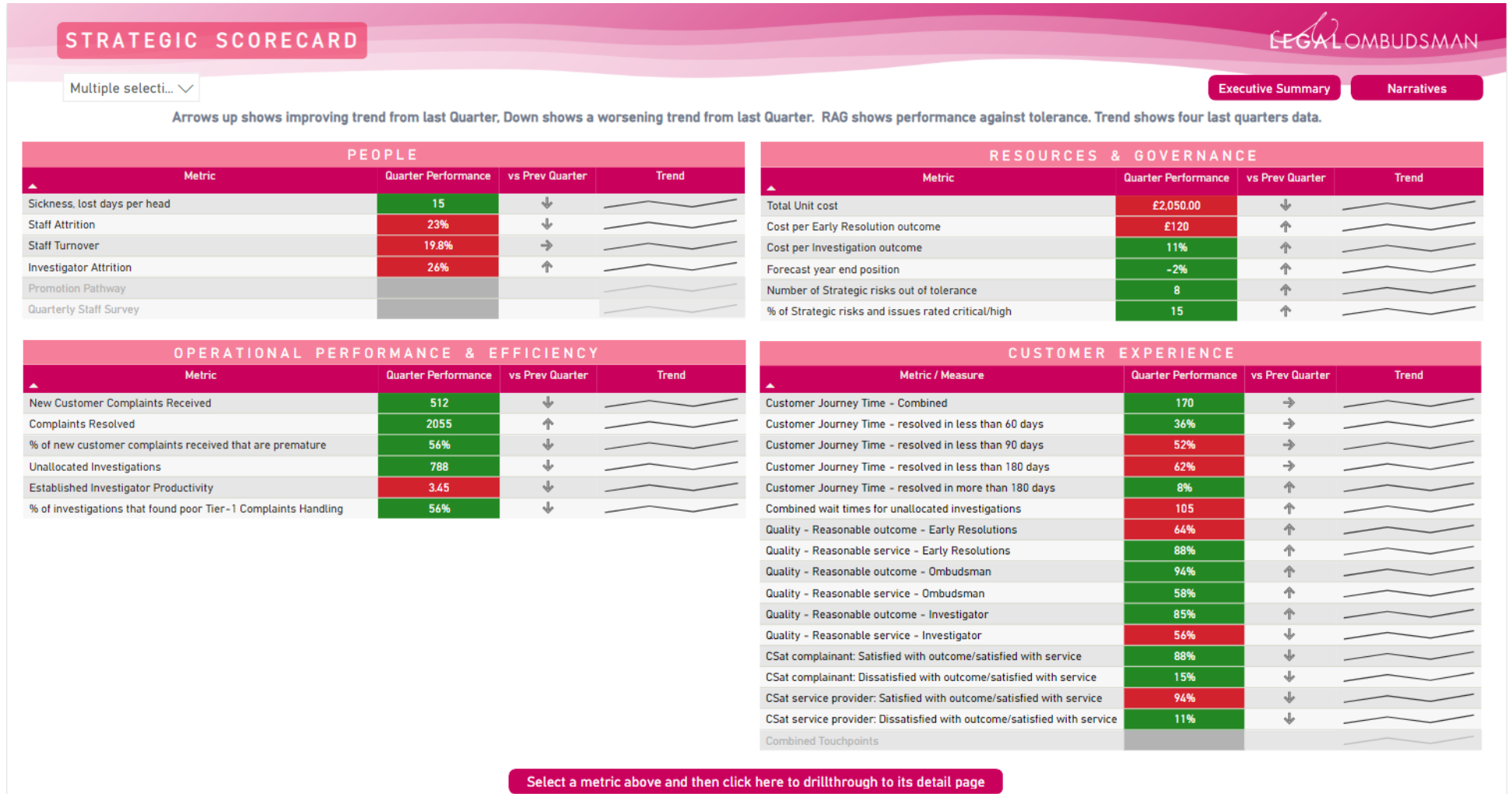
Removed	Customer journey - Investigation time - <b>All Investigations</b>	Current metrics are not strategically meaningful and do not speak to confidence in LeO or impact of insight-sharing and engagement. Metrics to support reporting against LeO's impact objectives are to be developed in coming months.
Removed	Customer journey - Investigation time - <b>ER</b>	
Removed	Customer journey - Investigation time - <b>Combined</b>	
Removed	Number of professional learning courses per year	
Removed	Number of Best practice engagement activities	
Removed	Average written time for written contact to be responded to	
Removed	Service complaints (total remedies)	
Removed	Percentage service providers agree that LeO provides useful GUIDANCE - RELEVANT	
Removed	Percentage service providers agree that LeO provides useful GUIDANCE - USEFUL	
Removed	Percentage service providers agree that LeO provides TRAINING - RELEVANT	
Removed	Percentage service providers agree that LeO provides useful TRAINING USEFUL	
Removed	Stakeholder satisfaction - Effective Learning with Stakeholders	
Removed	Stakeholder satisfaction - Effective Learning with Service Providers	

Removed	Direct cost per contact and cost per case - <b>Advice &amp; Support GET</b>	Replaced with cost per investigation and cost per early resolution. These have been calculated to better represent the true operational cost of both key areas, to include a portion of Team Leader, Operations Manager and Ombudsman costs.
Removed	Direct cost per contact and cost per case - <b>Investigations</b>	Changed to cost per investigation
Removed	Percentage of business unit risks rated critical/high	A number of these are reported at ARAC and to OLC board via that forum. New risk metrics better represent risk tolerance reporting.
Removed	Number of completed internal audits rated moderate or substantial	5 audits a year – limited data and progress is reported at every ARAC meeting.
Removed	Strategic Issues	Changed to Risks out of Tolerance

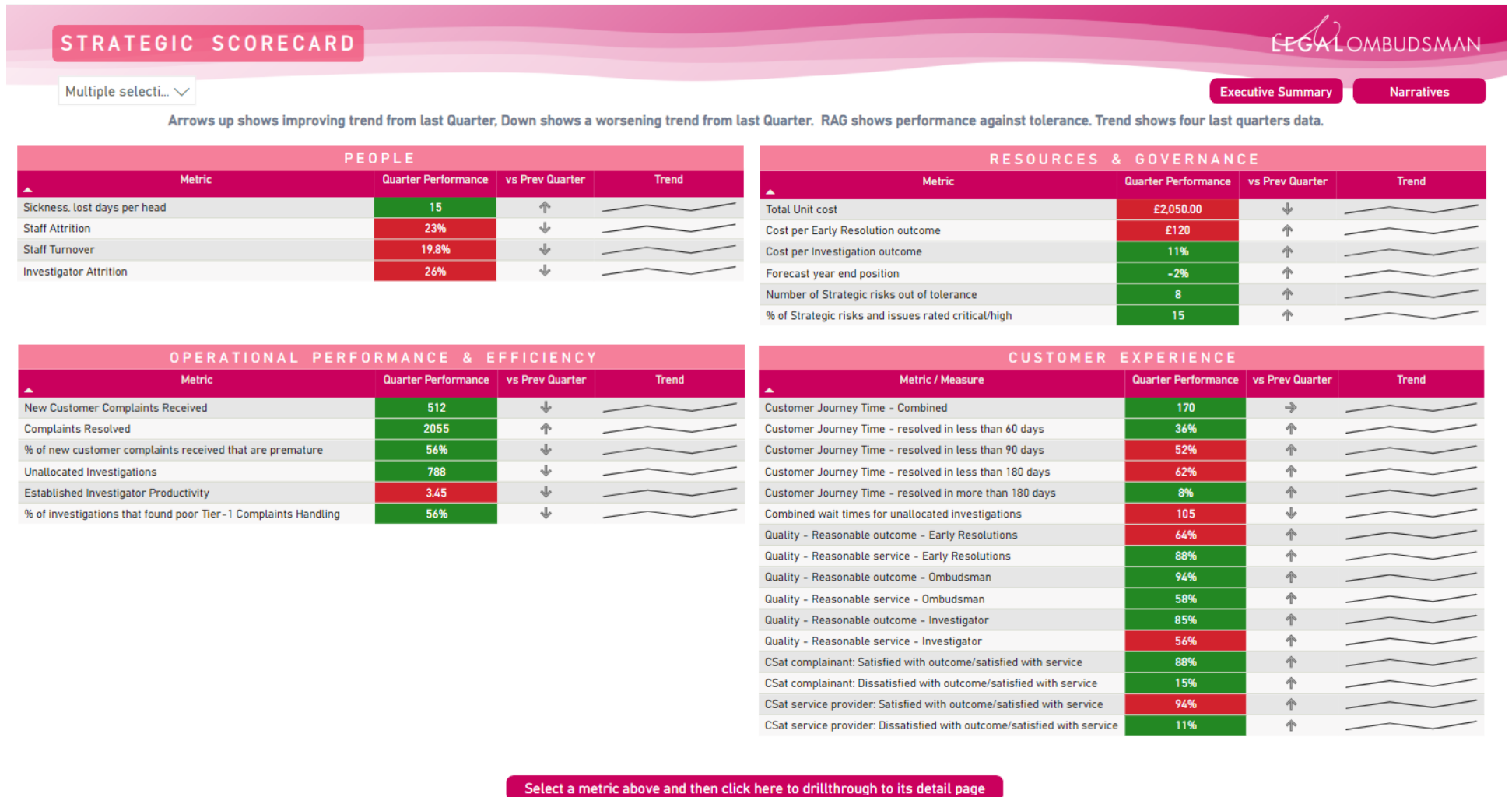


Appendix 2

Shows Strategic Scorecard 'Mock Up' all measures. (This is dummy data and not actuals)



Appendix 2 a – Shows Strategic Scorecard with Phase 1 measures.



Appendix 2 b – Shows Strategic Scorecard with Executive Summary example.

**STRATEGIC SCORECARD**

24/25 Q1

**LEGAL OMBUDSMAN**

### Executive Summary - Quarter 1 (April - June 2024)

[← BACK TO SCORECARD](#)

Ending the financial year with a record number of closures  
Going into 2022/23, Leo set itself an ambitious improvement trajectory of 10244 cases. This aim signified a step change in the type of organisation that we wanted to be and highlighted its ambition to significantly improve the service we were offering to service providers and complainants.

The year has not been without its challenges, a buoyant labour market and an unprecedented cost of living crisis putting trajectories under immense pressure. LeO has worked diligently over this period to find innovative ways that we can overcome the challenges that we have faced. Moving to a hub and national recruitment strategy, implementation of Early Resolutions and Gradbay teams to name a few. This diligence has delivered a record performance for LeO breaking monthly and annual best performance records along the way, but most importantly seeing significant improvements in the service and experience that end users are telling us they are feeling.

This improvement journey has led to LeO delivering an end of year resolutions total of 9467 cases, which represents 92% of the Business Plan expectation of 10244. 9467 resolutions means that we have delivered an increase of 44% compared to 2021/22, this mirrors a similar year on year improvement of 40% when comparing 2021/22 to 2020/21.

External factors such as the labour market and pressures on people incomes has meant higher than expected investigator attrition rates. To put this into perspective, the expected monthly average of established investigators was 65.13 FTE vs an actual of 50.62 FTE. This shortfall in skilled people equates to a loss of 696 closures. This one singular external issue has been a key driver in delivering the aims that we stated in our Business Plan. The closures from this shortfall in investigators if added to our reported year end position would have seen LeO close 10,165 and achieved 99% of the Business Plan aims.

There have been some stand out moments in the year, with March being the pinnacle of this improvement journey with a record breaking 1053 cases, the highest ever recorded by LeO, and an over achievement of 21% against a Business Plan expectation of 871.

This level of performance was attributed to March having the highest number of working days and the fewest number of LeO's people taking holidays. It is also the culmination of improvement works that have been ongoing throughout the organisation, to further rationalise case flows and ensure bottlenecks in our process are being resolved at an ever improving rate.

Early resolutions continue to be an important part of LeO's process. Of the 1053, 621 (59%) of cases were closed as a result of early resolution interventions. Whilst we expect early resolutions to play an important part of 2023/24 it is important to note that these types of results will not be as high in 2023/24 as we see the early resolution opportunities in LeO's backlog end now that they have been worked through.

The introduction of early resolution continues to see improvements in Customer Journey Time, with March recording the shortest in month average for Early Resolution outcomes at 64 days, the lowest since April 22, reducing from a peak of 151 days in the Early Resolutions team. Customers whose cases were resolved through early resolution experienced 76% shorter customer journey times than LeO's average for low complexity complaints.

For March LeO also had it highest BAU result for 2022/23 with 423 (41%) of cases closed.

Moving forward LeO is changing how it reports on its early resolution caseload to better reflect the new LeO process and give a more accurate and meaningful picture of where cases are in that process. Since its inception, LeO has reported cases that are going through early resolution within the total figure for the pre-assessment pool, LeO's investigation backlog. These will now be treated as separate from the PAP to reflect the fact that these cases are actively being worked on by the Front End Team. At the end of March this represented 461 cases actively being worked on. Removing these cases means the pre assessment pool stands at 3,821, a -23% variance to the 22/23 Plan aim of 3109.

With this more accurate reporting, LeO has achieved a 36.4% reduction in the number of people waiting to have their cases to be actively worked on when compared to the peak of 6010 cases waiting in February 2022 and a 34.8% reduction in year.

#### Overall Customer Journey Times (CJT)

There continues to be significant improvement and a steady decrease in the average wait time and significant decreases in the time taken to resolve cases. The overall age of the backlog has decreased to an average wait of approximately 6 months.

All complaint outcomes in March 2023 were resolved with an average CJT within 256 days which represents a 126 day (33%) reduction on low complexity cases from when the PAP was at its highest point in February 2022. CJT for March has been measured from when all information for an investigation has been received from the customer and the case is in a position for LeO to resolve. This performance represents a 21% reduction against the low complexity target of 325 days.

Whilst there are significant improvements being made it is clear that there is still work to do and LeO's reported customer journey times continue to be impacted as LeO deals with legacy cases attracting longer than average wait times in the investigation journey. Resolving these long-standing complaints brings closure to the parties involved and brings LeO closer to an acceptable position, but it also has the effect of increasing LeO's reported customer journey times as historic cases are concluded.

#### LeO's people – productivity and performance

An important aim for LeO has always been efficiency, delivering more for less for those parties that fund us, whilst still offering a quality service. The most important measure for this has been improving how much individual investigators were achieving whilst still driving the right culture. LeO's investigator achieved a year high productivity (measured as cases resolved per investigator per month) of 10.28. This is attributable to the ongoing improvements in process within LeO and for March specifically, is attributable to the increased number of working days in March and fewer holidays taken.

Investigator productivity for cases requiring an investigation saw an improvement for March from 3.76 to 4.93, achieving more than just under 25% achievement against revised trajectories of 4 cases resolved per investigator per month. This was outside of the Business Plan expectation of 5.8, a measure that was set before we understood the impact of Front-End Team (FET) on the flow and complexity of cases going into BAU. A significant amount of work has been completed to understand what is appropriate for BAU given change in process with FET. Through a better understanding of the new reality in this business case, expectations have been adjusted to 6.1. For established investigators in 2023/24 there has also been changes to case that allow more resolution. These measures

Appendix 2 c – Shows Strategic Scorecard with 4 Quadrant narratives example.

STRATEGIC SCORECARD
LEGAL OMBUDSMAN

24/25 Q1
Narratives - Quarter 1 (April - June 2024)
← BACK TO SCORECARD

<div style="background-color: #e91e63; color: white; padding: 5px; font-weight: bold;">People</div> <p><b>Attrition</b></p> <ul style="list-style-type: none"> <li>Overall attrition has fallen for the fourth consecutive month and now stands at 16.3%, a decrease of 1.1% compared to April. The current overall attrition target within our risk appetite measures is 19%, placing us within the 'green' category for tolerance.</li> <li>There were 3 leavers in May (2 Investigators, 1 GET Call Handler). Investigator attrition has fallen for the fourth consecutive month and now stands at 22.3%, a 0.7% decrease compared to April.</li> <li>Corporate attrition has also fallen to 19%, a 2.1% decrease compared to April.</li> </ul> <p><b>Sickness Absence</b></p> <ul style="list-style-type: none"> <li>Sickness absence levels increased for the second consecutive month. The average number of sickness days lost per employee now stands at 14.51 days. The current sickness target within our risk appetite measures is 11 days; the current sickness absence figure places us within the 'amber' category for tolerance.</li> <li>The main reason for sickness absence in May was mental health, a position unchanged from the previous month. Mental health-related absence increased in May (140 days, 35.9%), compared to 95 days (24.6%) in April. The other main reasons for absence in May were musculoskeletal issues (39 days, 10%), followed by pregnancy-related (14 days, 3.6%).</li> <li>Currently there are 9 members of staff on long-term sick leave, 6 of whom are absent due to mental health issues/bereavement.</li> <li>The cost of absence was £46,868 in May.</li> </ul>	<div style="background-color: #e91e63; color: white; padding: 5px; font-weight: bold;">Resource &amp; Governance</div> <p><b>SRR:</b></p> <ul style="list-style-type: none"> <li>SI.01 (backlog of cases) – this maintained its score of 16. March's performance total takes the year end position to a total of 9,469 closures which is 92% of the Business Plan target as well as a 44% year on year improvement on 2021/22, a real sign of the significant step change we have seen in performance this year. The Pre-Assessment Pool (PAP) has seen its tenth reduction for this year to 4,282 cases. This is a 27% reduction on the PAP from where LeO finished in 2021/22. From 1 April this year, as previously reported to the Board, we have changed how we report on our caseload to better reflect the changed LeO early resolution process and give a more accurate and meaningful picture of where cases are in that process. Since its inception, LeO has reported all cases within the total figure for the PAP. These will now be treated as WIP cases separate from the PAP to reflect the fact that these cases are actively being worked on by the Front End Team. In March, this represented 476 cases actively being worked on. Removing these cases means the PAP stands at 3,806, c. 700 cases (22%) above the Business Plan forecast of 3,109.</li> <li>SI.02 – (People attraction and retention) - Score stays as 20. Some of the actions to treat this risk would have been completed by end of March 2023. Due to significant resourcing challenges facing the HR function, it was necessary to re-prioritise and consider what was deliverable within the People Strategy, taking into account the need to both recruit and onboard new HR team members, whilst maintaining an acceptable level of 'business as usual'. However, it was also acknowledged that there were key elements of the People Strategy that were business-critical and needed to be progressed during 2022/23 to support the achievement of wider business objectives and lay the foundations of the 2023/24 People Strategy. The re-prioritised People Strategy therefore, focused on the key people: i.e. attrition, attraction and retention. Many of the activities linked to these priorities complemented each other and also built on progress made to date across other areas of the strategy. As we move to the new FY, a new SI.03 will be created to reflect on the challenges from BAU investigators' attrition.</li> <li>SR.01 – (performance trajectory) has maintained its score of 16. We delivered 1055 cases in March against a Business Plan forecast of 871, a 21% over achievement against the Business Plan. This number represents the highest ever monthly resolution total achieved by LeO, previous high 840, a huge achievement which was as a result of significant focus and commitment from our Operations Manager, Team leaders and all across our Operations teams. Going into Q2 operations made significant changes so that</li> </ul>
<div style="background-color: #e91e63; color: white; padding: 5px; font-weight: bold;">Operational Performance &amp; Efficiency</div> <p>In May Operations achieved 669 closures against a target of 681 (99.2%)</p> <p>Of the 669 closures, 359 were BAU (compared to 370 in April) and 310 were closed by early resolution (compared to 307 in April).</p> <p>The PAP went up to 3456 by the end of May, which is a small increase of 22 compared to April.</p> <p>340 cases were taken from the PAP for investigation compared to 363 in April. In addition to this, 22 reallocations were also taken.</p> <p>Productivity for established investigators resolving cases under investigation was 3.31 (compared to 3.45 in April). Our FET productivity was 18.13 compared to 16.61 in April. Overall, productivity including the early closures from FET initiatives stands at 5.47, against a target of 5.</p> <p>The overall customer journey time has remained static at 312 days since April.</p>	<div style="background-color: #e91e63; color: white; padding: 5px; font-weight: bold;">Customer Experience</div> <p>The data for quarter 4 demonstrates that there has been a drop in performance against both service and outcome standards in cases where an investigation is required. The data continues to show that there are unacceptable delays and evidence of a lack of progression in some of our casework. Leo's operations teams are working hard to try to address this, identifying typical pinch points within our processes and taking steps with investigation staff to overcome those issues. We can also see from our quality assurance that on occasion we need to work harder to ensure that our customers are able to make fully informed decision about their complaints based on a full understanding of facts and options.</p> <p>It is pleasing to note however that across the significant majority of casework that LeO's operational staff deliver, the service provided is of a much higher standard and the outcomes we reach for our customers are typically robust and well reasoned.</p> <p>LeO's service complaints team continues to work through the complaints that have been raised against us and endeavours to process those complaints as fairly and efficiently as possible. The high level of output from the team has had a consequential impact on the remedies offered to LeO's customers over the last quarter (and the year as a whole). The learning from these reviews are always fed back to the business and relevant individual to drive improvements and prevent recurrence.</p>