

Meeting	OLC	Agenda Item No.	6
		Paper No.	96.5
Date of meeting	24 June 2019	Time required	20 Minutes

Title	Performance Report, including KPI tolerances
Sponsor	Steve Pearson, Head Ombudsman
Status	OFFICIAL
To be communicated to:	Members and those in attendance

Executive summary
<p>The interim performance report shows KPI and operational performance for the first 2 months of 2019/20.</p> <p>The number of KPIs out of tolerance is steadily reducing compared to last year and on timeliness only the 365 day target still remains outside. Delivery is tracking within both Board and management tolerances and the assessment unallocated pool has begun its steady reduction.</p> <p>A separate item on the agenda deals in detail with the trend and expectations for the assessment unallocated pool over the year.</p>
Recommendation/action required
Board is asked to NOTE the report.

Interim Operational Performance Report (Q1 19/20)

1. Introduction

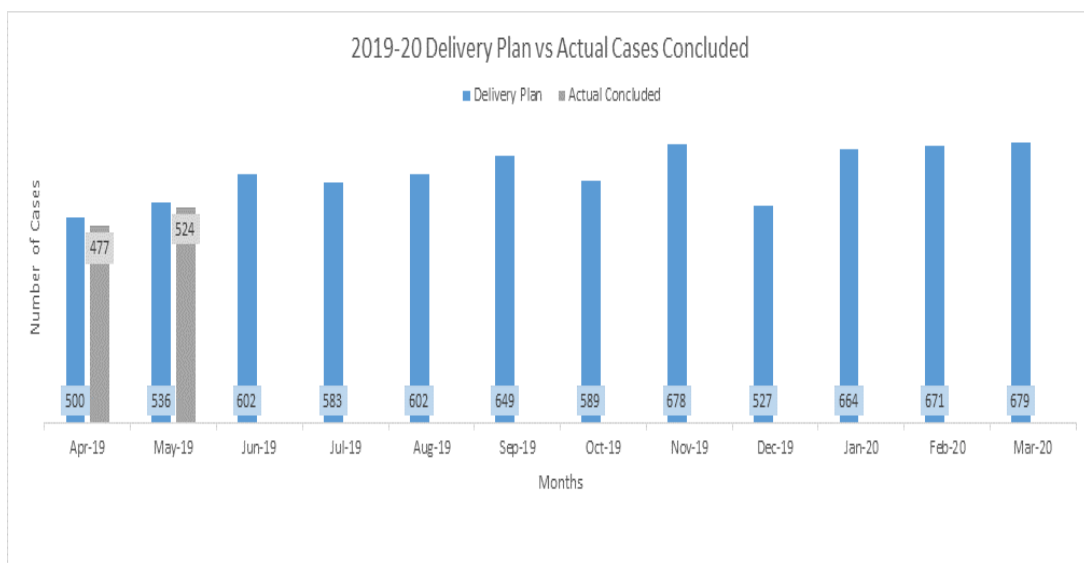
- 1.1. This paper provides an interim update on performance through the first months of quarter one.

2. General observations

- 2.1. Performance against KPIs is outlined in the tolerance report attached to this paper. This shows positive performance except against the 365 day combined timeliness KPI. This KPI has been and will continue to be impacted in the short term by the closure of the remaining legacy cases.
- 2.2. Performance in May has continued on the positive trajectory seen in April, with closures being within management tolerance and as such in line with plan, timeliness continuing to improve and the assessment unallocated reducing incrementally. As legacy moves towards a conclusion there will be a positive impact on timeliness, closure output, a related increase in the number of cases being accepted for investigation and corresponding positive impact on assessment unallocated pool.

3. Closure output

- 3.1. Performance against delivery plan, outlined in the table below, showed a continued improvement on April's output and we are working to maintain that trajectory through the rest of the quarter and during the rest of the year.



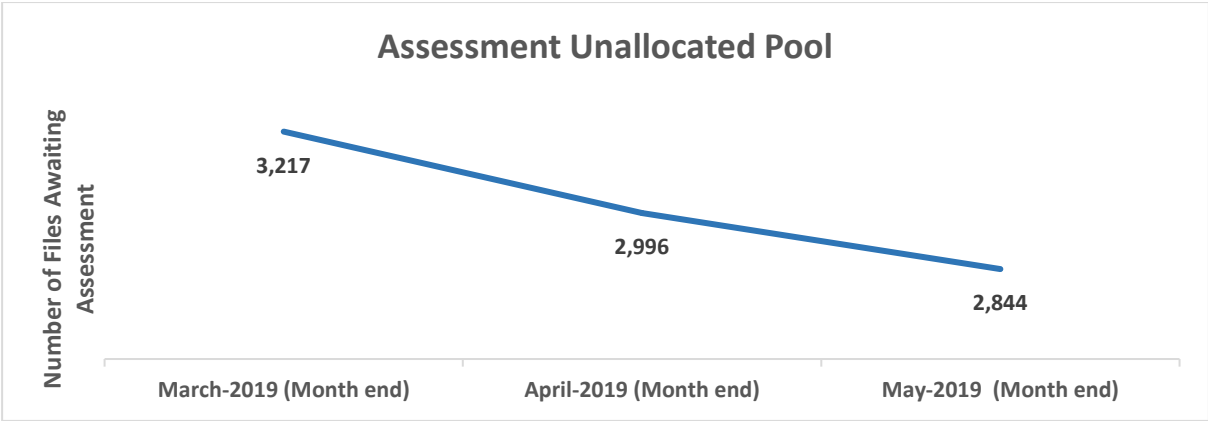
- 3.2. The table below summarises performance against delivery plan and Board tolerance. It is noted that the performance achieved in both April and May is within tolerance against the delivery plan.

Monthly Performance Against Delivery Plan (2019/20)			
Months	Delivery Plan Target	Tolerance Range	Actual
April	500	450-500	477
May	536	482-536	524
June	602	542-602	
July	583	525-583	
August	602	542-602	
September	649	584-649	
October	589	530-589	
November	678	610-678	
December	527	474-527	
January	664	598-664	
February	671	604-671	
March	679	611-679	

- 3.3. Performance continues to be constrained by the level of attrition noted in Appendix 1. Recruitment activity undertaken through Quarter 1, and planned for the rest of the year, will ensure that resource levels are optimised and the impact of attrition mitigated. Steps have been taken to ensure that new starters are fully operational as soon as possible, but there is a necessary development lag. This means that although resource is optimised, output is currently behind optimal levels but will improve as the year progresses.
- 3.4. The continued application of workload management and the supervision model with the upcoming roll-out of the Quality & Feedback model will help us to reduce the level of failure demand, whilst also improving quality and driving case progression.
- 3.5. The legacy team are on track to have completed the majority of their cases by the end of June, following which we will look to transition the highest performers from that team and across the business into a new low complexity, high output team.

4. Front end performance

- 4.1. The assessment unallocated pool has continued to reduce incrementally over the course of the quarter. At the end of May the assessment unallocated had been reduced to 2844.



4.2. The ongoing plans to reduce the assessment unallocated Pool over the rest of the year are outlined in the additional paper before this Board.

Appendix 1: Monthly KPI and tolerance report – May 2019

External KPIs

Measure	KPI	Tolerance	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Tolerance exception report/additional info
% cases concluded in new CMS (CEQ2a)														
90 days (legal – low)	65%	10% off target for more than 2 consecutive months or 2 months out of 4, in any category	89%	83%										
90 days (legal – med)	40%		54%	50%										
90 days (legal – high)	0%		25%	11%										
180 days (legal - low)	90%		98%	99%										
180 days (legal - med)	85%		92%	91%										
180 days (legal - high)	33%		75%	56%										
365 days (legal – low)	99%		100%	100%										
365 days (legal – med)	95%		100%	100%										
365 days (legal – high)	85%		100%	100%										
% cases (all complexity) concluded (CEQ2a)														
Within 90 days	45%	10% off target for more than 2 consecutive months or 2 out of 4	48%	51%										Outside Tolerance: A general improvement in performance against these KPIs brings the 180 day performance within tolerance. Performance against the 365 day KPI continues to be impacted by the remaining legacy closures. As these cases are closed over the coming weeks the impact on this figures on a monthly basis will reduce.
Within 180 days	78%		63%	72%										
Within 365 days	95%		69%	78%										

Measure	KPI	Tolerance	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Tolerance exception report/additional info
Turnover (PLC2a/b)														
Quarterly rolling annual turnover rate	Rolling annual turnover <18%	>2% above rolling annual target for two consecutive quarters	18.7%	20.2%										
Unit Cost per case (IRE8)														
Legal all complexities – net of estates income and gross costs	£1695	>£100 over target – 3 month rolling average	£2118 £422 variance 24.9%	£2047 £351 variance 20.7%										Outside tolerance: The reason for this variance is that the unit cost is calculated on a standard basis over twelve months. Productivity is forecast to rise progressively; therefore it is expected that the unit cost target will not be met in the early part of the year.

Strategic Board performance measures

Measure	Tolerance	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Tolerance exception report/ additional info
Work in Progress														
Legacy team remaining work in progress – within 10% of plan – (CEQ2e)	>10% off plan for more than 2 consecutive months	Actual = 251 Plan = 260 Var = 3.5%	Actual = 180 Plan = 152 Var = -18.4%											Note: Legacy performance remains on track to have the majority of the remaining cases closed or awaiting a decision by the end of June.
Current work in progress – by case complexity – within 10% of plan (tolerance > 20% variation to plan for more than 2 consecutive months) – (CEQ2f)	>20% variation to plan for more than 2 consecutive months	Actual = 1,164 Plan = 1,345 Var = 13.4%	Actual = 1,288 Plan = 1,382 Var = 6.8%	Actual Plan = Var = %	Actual Plan = Var = %	Actual Plan = Var = %	Actual Plan = Var = %	Actual Plan = Var = %	Actual Plan = Var = %	Actual Plan = Var = %	Actual Plan = Var = %	Actual Plan = Var = %	Actual Plan = Var = %	

Monthly/quarterly variance between legal cases accepted and closed, by complexity <5% (tolerance > 10% variance for more than 2 consecutive months) – (IRE5)	>10% variance for more than two consecutive months	Cases Accepted = 407 Plan = 500 Variance = 18.6% Case Resolved = 477 Plan = 500 Variance = 4.6%	Cases Accepted = 529 Plan = 536 Variance = 1.3% Case Resolved = 524 Plan = 536 Variance = 2.2%											
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Measure	Tolerance	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Tolerance exception report/additional info
Budget Variance														
<1% variance against forecast – IRE9	Variance <2%	3% under	2% under											
Quality														
<10% of tasks and decisions sent back by Ombudsman (IRE7)	>10% above target	5.62%	8.42%											