

Office for Legal Complaints

Draft Strategy 2023-24

Draft Business Plan and Budget 2023/34

Consultation



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About the Legal Ombudsman

The Legal Services Act 2007 (the Act) established the Legal Ombudsman scheme (LeO) and the Office for Legal Complaints (OLC) to administer it. The Act also established the Legal Services Board (LSB) to oversee the regulation of the legal profession in England and Wales. Both the OLC and the LSB are Arm's Length Bodies of the Ministry of Justice (MoJ).

LeO's primary role is to resolve complaints about providers of legal services that haven't been resolved to customers' satisfaction. This includes complaints about the majority of legal services provided in England and Wales. There are certain rules and limits that might mean LeO can't or isn't the right organisation to help. These are set out on LeO's [website](#).

LeO also shares learning and insight from the complaints it sees, to help prevent future complaints and support improvements in the legal services sector.

From 2021/22 onwards, LeO's recovery and improvement focus has been on rebalancing its service toward the early resolution of complaints wherever this is appropriate – helping to reduce waiting times and improve the experience of both legal service users and providers.

In 2022/23 the OLC will be developing a tightly-focused, one-year interim strategy. These do not change the OLC's Strategic Objectives, but instead look to refocus them for LeO's final recovery year.

In 2023/24 the OLC will be developing a new multi-year strategy for LeO, providing a clear and ambitious framework focused on the key aims of sustainability, continuous improvement, and providing a high standard of quality service to all LeO customers.

Overview

Vision 2023-24	
Our independent voice gives confidence to users and providers of legal services, helping to underpin a thriving and improving legal sector	
Mission 2023-24	
We resolve legal complaints fairly, impartially and as early as possible, and share our experience to improve legal services	
Strategic Objectives 2023-24	Business Plan Priorities 2023/24
Improving customers' experience with LeO as we lay the foundations we need to provide and sustain a high level of service	Deliver our commitment to reduce waiting times by engaging and retaining skilled and motivated people
Ensuring our ways of working and Scheme Rules enable us to give the right outcome at the right time, providing valued redress	Take further steps toward being efficient and proportionate while maintaining quality and accessibility
Working transparently and collaboratively to support improvements in the legal sector and access to justice	Develop our understanding of what insights our stakeholders value, and use this to increase our impact

What to expect in 2023/24
LeO will resolve 9,239 complaints about legal services
LeO's budget will be £16.8 million
LeO is not proposing any additional investment in staffing levels. In the context of inflationary pressures and unavoidable costs, it has minimised and accommodated increases within its existing budget wherever possible.
LeO's Scheme Rules will change from 1 April 2023

About this consultation

What we are asking

1. How has your level of confidence in LeO changed since this time last year? Has it increased, decreased or stayed the same?
2. Do you support LeO's plans under Strategic Objective One and Business Plan Priority One? Is there anything else the OLC should take into account in 2023/24 or further ahead?
3. Do you support LeO's plans under Strategic Objective Two and Business Plan Priority Two? Is there anything else the OLC should take into account in 2023/24 or further ahead?
4. Do you support LeO's plans under Strategic Objective Three and Business Plan Priority Three? Is there anything else the OLC should take into account in 2023/24 or further ahead? For example, what more would you like to see LeO do in this space?
5. Do you support the proposed 2023/24 budget for LeO?
6. Is there anything else you think the OLC should take into account it finalises LeO's 2023/24 Business Plan and Budget and 2023-24 Strategy?
7. Once LeO is delivering a significantly improved service, how might it need to evolve to meet customers' needs and expectations? This will help shape the OLC's thinking as it starts to develop its new multi-year strategy.

How to respond

This consultation is open from 2 November 2022 until 12pm on 14 December 2022.

You can share your feedback to our questions at <https://forms.office.com/r/Ci1RfrV7E4>.

If you have any questions about the consultation, get in touch at consultations@legalombudsman.org.uk.

We encourage online responses wherever possible. If you need to write to us, send your response to: Legal Ombudsman, PO Box 6803, Wolverhampton, WV1 9WF.

Unless otherwise stated, we publish responses to our consultations.

Next steps

The OLC will review the feedback shared in response to this consultation as part of finalising its 2023/24 Business Plan and Budget and 2023-24 Strategy.

The final 2023-24 Strategy and 2023/24 Business Plan and Budget will be published in March 2023, following consideration by the Legal Services Board.

Chair's foreword

A change in outlook for LeO

When I became OLC Chair in April 2020, my central priority was rebuilding confidence in LeO – and since then, this has been the OLC Board's sustained focus.

At the end of our 2020-23 strategy period, the OLC is in no doubt about the genuine progress LeO has made in recovering its performance – and in turn, the genuine difference this has made to customer experience and stakeholders' confidence.

LeO's journey to date has been one of complete accountability transparency. This has in itself been welcomed by stakeholders, building trust in LeO and its leadership team.

The year ahead

The impact of the action LeO has taken is already being felt by users and providers of legal services. However, in the uncertainty of the current environment, the OLC and LeO must maintain a laser-like focus on getting LeO to a level of performance that is both acceptable to its customers and sustainable in the long run.

Many initiatives with a strategic impact are in train: from upcoming changes to LeO's Scheme Rules and work to increase the transparency of its decisions, to its critical People Strategy and action plan for equality, diversity and inclusion (EDI).

For this reason, alongside the 2023/24 Business Plan and Budget for the Legal Ombudsman, the OLC is setting out a tightly-focused, one-year interim strategy. These do not change the OLC's Strategic Objectives, but instead look to refocus them for LeO's final recovery year.

This consultation sets out these sharpened overarching aims. In LeO's updated mission is an explicit focus on the early resolution of complaints – and in its objectives, a renewed emphasis on customers' experience and proportionality. The strategy also reflects the OLC's ongoing commitment to transparency and collaboration.

I have always emphasised the need for LeO's plans to be sufficiently ambitious, while also credible and realistic. As a Board we will continue to provide scrutiny and challenge, and build further on improvements made to LeO's forecasting and reporting. LeO has already made significant efficiencies across its processes, and the OLC Board will ensure this focus remains the case.

The current economic context is undoubtedly difficult for all organisations. The OLC's draft budget aims to strike a difficult balance – trying to minimise our cost to legal services providers, while ensuring LeO completes its recovery journey. And recognising the extraordinary inflationary pressures we all face, and the very real impact on LeO's people of the rising cost of living.

Ambitions for the future

While 2022/23 has been about turning ideas tested in 2021/22 into "business as usual", 2023/24 will be about ensuring the changes LeO is making are effective and sustainable, and uphold the principles of fairness and access to justice.

As we do so, it is right that we start to talk about what LeO needs to look and feel like in the future – laying the groundwork for an ambitious and comprehensive future strategy, which we will consult on later in 2023.

There are many questions we will need to ask. For example, how can LeO ensure that it is both agile and efficient, and adequately resourced to ensure queues don't arise again?

What will LeO's customers – both legal service users and providers – expect from their experience of LeO five or ten years from now?

As the world of work evolves, how can LeO differentiate itself as an employer, attracting and retaining a diverse range of people? And what skills will those people need?

What does more early resolution mean for the insight LeO shares, and the way the scheme is funded?

What should be the scale of LeO's ambition for its wider impact on the legal sector – and how can it measure that impact?

And in the context of growing focus on good corporate governance and environmental and social responsibility, what standards should the OLC be held to?

While the answers to these questions are not straightforward, we will be engaging with them fully in the coming months, inviting the input of a wide range of stakeholders.

As always, the OLC is grateful for every perspective shared with us as we work to deliver our ambition: a trusted and thriving Legal Ombudsman scheme that supports a trusted and thriving legal sector.

Elisabeth Davies

Chair of the Office for Legal Complaints

Chief Ombudsman's introduction

Building on LeO's progress

This time last year, it was important to be frank about the challenges LeO was facing – and important too that our 2022/23 plans set out radical measures to improve LeO's performance.

I said then that a step-change was required. And I'm pleased to say the outlook has shifted significantly. By the end of March 2022 we had resolved 40% more complaints than we did in 2020/21 – and have sustained this performance to date in 2022/23. The number of people waiting has reduced for seven consecutive months, and we remain on course to halve that front-end queue by the end of March 2023.

Central to this has been our focus on identifying opportunities to resolve complaints at the earliest possible opportunity, which is making a material difference to many customers' experience.

Our priorities for 2023/24

I have said throughout this journey that there is no room for complacency. 2023/24 will be about further embedding our progress, ensuring the gear change LeO has made is genuinely sustainable.

First, our people are the driver of LeO's success. Our People Strategy will continue to build a culture where everyone feels engaged, included, and supported – because that's when people will want to join LeO, stay with us, and perform at their very best, wherever they are working.

It is this focus on people that will ensure that, by the end of March 2024, LeO's front-end queue will have been drastically reduced. It is now a question of when, and not if, that queue is removed: something that for many seemed out of reach not so long ago.

Second, LeO will become even more efficient and proportionate. With early resolution continuing to bring down waiting times, changes to our Scheme Rules will ensure we can truly take the right approach at the right time for users and providers of legal services. As we do so, we will carefully monitor the accessibility of our service and also strengthen our quality framework.

Third, sharing the learning from complaints we see is instrumental in managing demand for LeO: encouraging both fewer complaints and better complaint-handling. We know stakeholders value our engagement with them, and in 2023/24, we will gain a better understanding of how we can develop and better focus that engagement.

LeO's 2023/24 budget

Last year's budget reflected the investment LeO was making in its front-end process. LeO is not looking to increase staff resourcing levels in 2023/24 – and excluding pay and inflation (other than on energy costs), our 2023/24 budget is broadly in line with last year's.

However, like all organisations, we face significant unavoidable costs and inflationary increases. We also recognise the very real risk of losing skilled people if we do not take into account the rising cost of living and ensure the competitiveness of LeO's offering.

This consultation sets out an inflationary budget that will allow us to deliver on the commitments we have made – while ensuring we provide value for money for legal providers.

The future of LeO – starting the conversation

While LeO's recovery journey isn't yet over, we want to start the conversation about what a future LeO will need to look and feel like. We welcome initial perspectives to help shape our early thinking before we consult on a new multi-year strategy later in 2023.

We know we need to be a responsive LeO without a front-end queue – one which is able to signpost, support and find agreement between legal service users and providers as soon as that input is needed.

A LeO that is an employer of choice and a great place to work. An agile LeO, which may eventually be smaller, but which can flexibly respond to changes in demand. A LeO with greater impact, whose insights have a tangible link to a fairer legal sector. A LeO that not only provides a high-quality service, but excellent value for money.

Openness and transparency have been at the heart of LeO's recovery journey – and we've welcomed stakeholders' honest feedback. I look forward to hearing your views on our plans and working together to make them happen.

Paul McFadden

Chief Ombudsman

Background: LeO's journey so far

The OLC's current strategy for the Legal Ombudsman was developed in late 2019 as part of the 2020/21 Business Plan and Budget consultation. The current year, 2022/23, is the third of the three-year strategy period.

A plan for performance recovery

In 2021/22 the OLC set out a two-year improvement trajectory for significantly improving the experience of LeO customers – users and providers of legal services – following a period where the front-end queue complaints waiting to be investigated had risen to unacceptable levels. With stakeholder support for taking radical action, LeO piloted and later rolled out a number of changes aimed at rebalancing its service toward minimum formality, identifying complaints that could be resolved without a full investigation.

These changes, together with a new, more flexible national recruitment approach to address resourcing issues, shifted LeO's outlook considerably. Compared with 2020/21 LeO made a substantial increase in output and began 2022/23 with a full complement of investigators.

There is a full review of LeO's performance in the OLC's 2021/22 [Annual Report and Accounts](#).

2022/23 so far

Building on the progress it made in 2021/22, LeO's 2022/23 Business Plan Priorities centred on taking the action required to deliver a step-change in performance. At this point in the year, LeO has performed strongly against its aims. Many more users and providers of legal services have felt the tangible results of LeO's focus on early resolution, proportionality and efficiency:

- **The pre-assessment pool (front-end queue) has reduced for seven consecutive months.** At this point in the year LeO is ahead of its original forecast for the queue (4,794 cases against 4,802).
- **The front-end queue is on track to halve by the end of March 2023** and fall to a working level by the end of March 2024.
- **To date in 2022/23, complaint closures are 55% higher** than the same period in 2021/22: 4,694 cases against 3,033. This is on top of the 40% year-on-year increase LeO achieved in 2021/22 compared with 2020/21, when the pandemic exacerbated existing performance challenges.
- Early resolutions by LeO's front-end team accounted for 57% of these resolutions, against an original estimate of 33%.
- **As at September 2022 there has been a 72% decrease in the overall customer journey time** for low complexity complaints (119 days) resolved by the front-end team, compared with cases resolved following an investigation. For all low-complexity complaints, the journey time was 289 days: an in-month reduction of 11% against LeO's target.

The charts below show how LeO has performed so far in 2022/23. Actual performance data is shown up to and including September 2022 and subsequent figures are forecasts based on LeO's current assumptions. The following pages summarise the progress LeO has made against its 2022/23 Business Plan, and the challenges it will be working on through the rest of the year and into 2023/24.

Case resolutions in 2022/23

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
Total closures/ revised forecast	714	811	788	732	834	815	818	882	564	904	806	983	9740
Closed after investigation	299	352	431	325	357	357	527	591	273	613	515	692	5331
Early closures (Front-End Team)	415	459	447	407	477	458	291	291	291	291	291	291	4409
Assumption in 2022/23 BP	772	788	825	844	853	869	876	875	892	885	894	871	10244
% of BP aim	92	103	96	87	98	94	93	101	63	102	90	113	95
% increase on 2021/22	32	59	41	52	84	68	63	54	21	64	34	15	48

Front-end queue (pre-assessment pool) trajectory in 2022/23

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Assumption in 2022/23 BP	5981	5793	5568	5324	5071	4802	4526	4251	3959	3674	3380	3109
2022/23 performance	5646	5301	5154	5127	4931	4794	4576	4294	4331	4027	3821	3438

Progress against 2022/23 Business Plan Priorities

2022/23 Priority One: Support our people to perform at their best

Summary of progress

- This priority recognises that LeO's people are at the centre of its recovery and its wider effectiveness as an Ombudsman scheme. So far in 2022/23 LeO has made the gear-change that it needed to, substantially increasing the number of cases being resolved year-on-year..
- The average length of time people are having to wait is not yet acceptable. However, many customers have already had a substantially shorter overall experience with LeO than they would otherwise have had. Fluctuations in average waiting times reflect the fact LeO is resolving cases that have been waiting a long time.
- Managers and team leaders are continuing to focus on supportive performance management, with the help of new policies, procedures and training, to increase productivity where cases require a full investigation.
- LeO's national approach has significantly improved its ability to recruit operational employees. Further rounds of national recruitment have been successful, and following the establishment of a Cardiff hub LeO is exploring further opportunities, including in Leeds.
- Like many organisations in a candidate-led job market, LeO is still experiencing challenges around resourcing and attrition, especially for non-operational roles. This also reflects factors including employees' working preferences (home vs office-based), and the need for LeO to develop an employee offer that is locally and nationally competitive.
- LeO has already made substantial progress toward delivering many elements of its People Strategy, which will move LeO toward its longer-term aspiration of being an employer of choice.
- A year on from the launch of its Grad Bay induction programme, LeO is reviewing this approach to help support higher retention. A benchmarking process is underway that will provide more insight into how LeO can improve its offer to new and existing employees.
- LeO has developed and is delivering a strategy and action plan around equality, diversity and inclusion.

2022/23 Priority Two: Deliver improvements to streamline handling of complaints and deliver a more proportionate service focused on early resolution

Summary of progress

- LeO's front-end team have consistently resolved more cases than originally anticipated. 23% of cases resolved by the front-end team are those already in the front-end queue, with the remainder being those that have been identified as they have arrived into LeO.
- The LSB has approved changes to LeO's Scheme Rules, following a consultation in Q4 2021/22, and LeO is developing an implementation and engagement plan.
- LeO is reviewing its quality framework and putting in place enhanced monitoring around the potential impacts on different groups of customers.
- All contact received via LeO's online form is now handled using robotic process automation, realising significant efficiencies (about one employee's worth of work a year).
- LeO has scoped changes to its website that will ensure people can find the information they need more easily and understand the steps they need to take to get their complaints resolved. This should help reduce the number of people who contact LeO before their service provider has responded to their complaint.
- The Legal Services Act places constraints on LeO's ability to outsource investigations. Because of the success of LeO's national recruitment campaign, the importance of pursuing outsourcing has been reduced. However, LeO is continuing to consider opportunities to outsource other non-investigative duties, helping to deliver efficiencies.
- LeO's Operational Transformation function will be refreshing its successful "ideas station", where LeO's people can suggest ideas for improvements, with a particular focus on investigations.

2022/23 Priority Three: Develop learning and insight mechanisms to increase impact of work and support improvements in the sector for providers and consumers

Summary of progress

- LeO has re-established its internal learning group to ensure learning and insights are shared effectively between different areas of LeO's operations.
- As well as continuing its Challenge and Advisory Group, LeO has developed a new representative group of legal service providers, to ensure a wide range of providers' views are considered in LeO's plans and decisions.
- LeO has also developed its relationships with the consumer advice sector, with the intention of establishing a representative group to ensure the needs of a diverse range of consumers are considered in LeO's plans and decisions.
- LeO has already delivered learning opportunities and participated in stakeholder events, with more planned for the rest of the year.
- LeO will be reviewing its wider approach to transparency, including the publication of Category 1 decisions (decisions against individual firms published in full in the public interest) – before further developing this work next year.

Questions

1. How has your level of confidence in LeO changed since this time last year? Has it increased, decreased or stayed the same?

Draft Strategic Objectives 2023-24 and Business Plan Priorities 2023/24

Vision and mission 2023-24

<i>Vision 2020-23</i>	Our work builds genuine confidence in legal services in England and Wales
Vision 2023-24	Our independent voice gives confidence to users and providers of legal services, helping to underpin a thriving and improving legal sector
<i>Mission 2020-23</i>	To be an independent and impartial ombudsman service providing reassurance and redress while constructively challenging the legal sector to improve
Mission 2023-24	We resolve legal complaints fairly, impartially and as early as possible, and share our experience to improve legal services

The OLC’s refocused vision for 2023-24 puts LeO’s customers – users and providers of legal services – at the centre of its vision, together with clearer ambition that its independent voice contributes to a thriving level sector.

The OLC’s refocused mission for 2023-24 reflects the shift LeO is continuing to make toward more early resolution and greater proportionality. It also reflects the ambition that, through sharing experience in an open, collaborative way, LeO’s work contributes to better legal services.

Performance trajectory in 2023/24: consistency and sustainability

2023/24 is a critical year in LeO’s journey to reaching a sustainable acceptable level of performance. The OLC’s tightly-focused, one-year interim Strategy and Business Plan will see LeO through to a point of stability, where it is delivering and sustaining a high level of performance and service to its customers.

By current forecasts, at the end of March 2024 the queue of people waiting for LeO’s help will have reduced to a working level – meaning both users and providers of legal services have a significantly shorter, and better, experience with LeO.

By the end of 2023/24, LeO expects that:

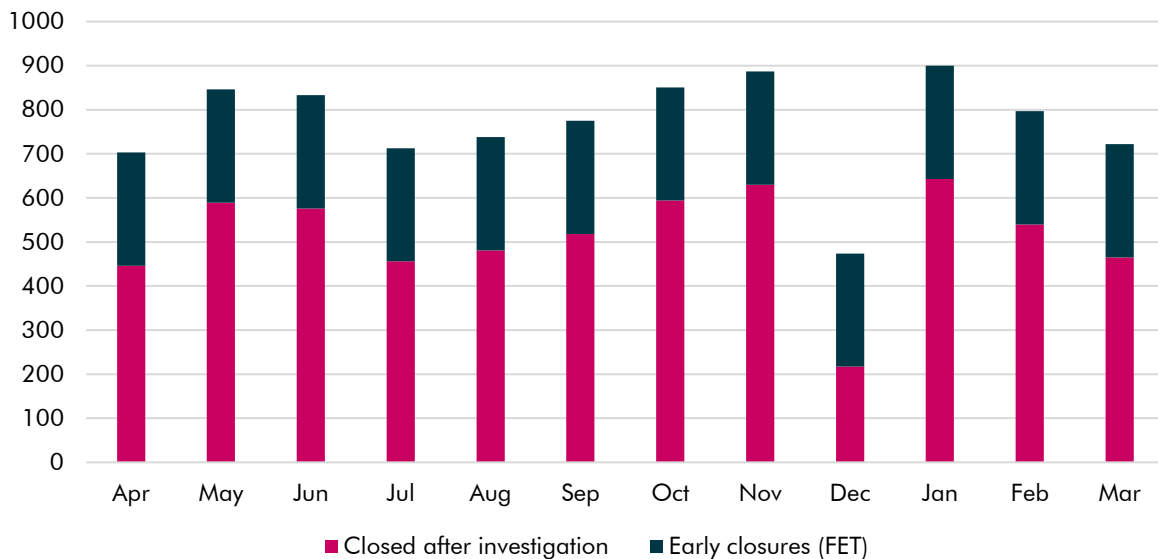
- LeO’s overall output will be 9,239 case closures. This would see LeO being at, or close to, a one-month working volume in the size of its front-end queue.
- Based on these levels of performance the front-end queue will be reduced to a working level in 2024/25. LeO’s ambition is that this will result in an average 90-day turnaround for most cases once accepted.

Forecast case resolutions in 2023/24

The table and chart below show forecasts for the number of complaints LeO expects to resolve in 2023/24, leading to the improvements outlined above.

These trajectories take account of the impact of changes to LeO’s Scheme Rules that will take effect on 1 April 2023. December’s lower figures account for seasonal leave at LeO and legal services providers and fewer working days.

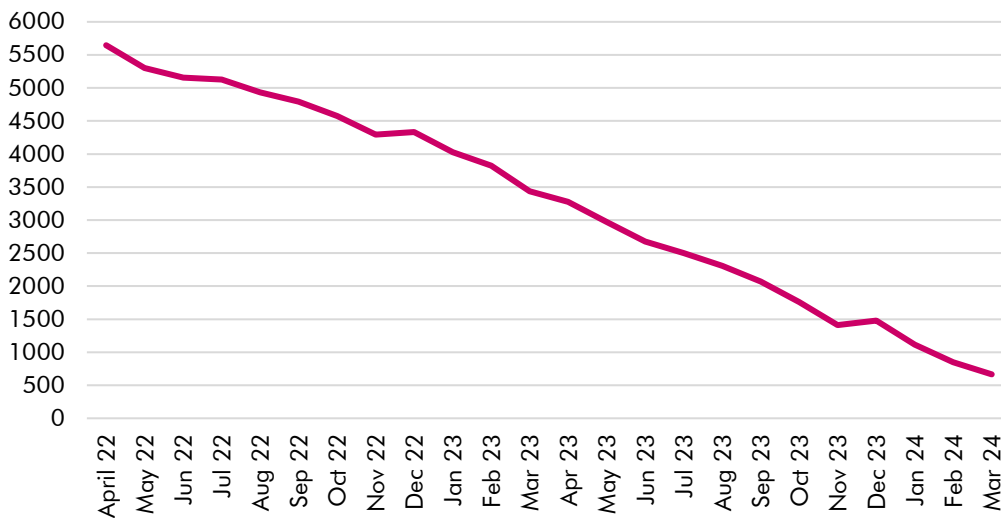
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
Total monthly closures	703	846	833	713	738	775	851	887	474	900	797	722	9239
Closed after investigation	446	589	576	456	481	518	594	630	217	643	540	465	6155
Early closures	257	257	257	257	257	257	257	257	257	257	257	257	3084



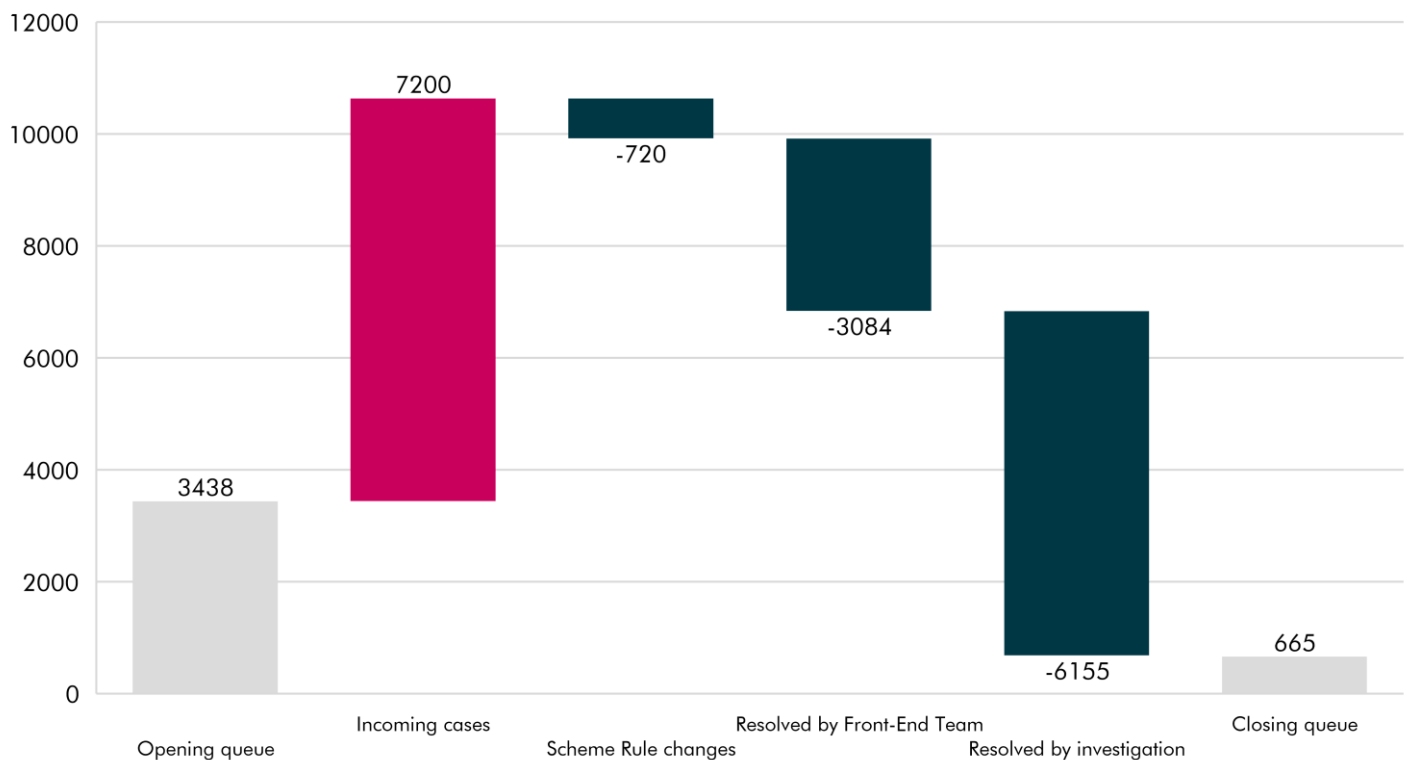
Front-end queue (pre-assessment pool) trajectory in 2022/23 and 2023/24

This table and chart show how the front-end queue will decrease across the year.

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Assumption in 2022/23 BP	5981	5793	5568	5324	5071	4802	4526	4251	3959	3674	3380	3109
2022/23 performance	5646	5301	5154	5127	4931	4794	4576	4294	4331	4027	3821	3438
2023/24 forecast	3275	2969	2676	2503	2305	2070	1759	1412	1478	1114	848	665



This chart shows the relative contribution of different initiatives at LeO in reducing the front-end queue.



The rest of this consultation sets out a draft set of refocused Strategic Objectives and Business Plan Priorities that will guide LeO's work in 2023/24, so it can deliver on the commitments it has made to reaching and sustaining a high level of performance.

Over the course of 2023/24 the OLC will be developing a new strategic framework for the years ahead, engaging with stakeholders before consulting formally later in the year. To start the conversation, this consultation gives an early indication of where LeO might be heading and asks some initial questions about what a future LeO should look and feel like: from its approach to resolving complaints to how it can take a positive and proactive role in supporting a thriving legal services sector.

The rest of this section sets out how LeO has refocused its Strategic Objectives for a final year, and the Business Plan Priorities that will deliver them. LeO's 2023/24 budget is detailed from page 27.

Strategic Objective and Business Plan Priority One

<p><i>Strategic Objective One 2020-23</i></p>	<p><i>Improving the experience of our service for complainants and service providers while using our expertise to guide and add value to the complaints journey</i></p>
<p><i>Strategic Objective One 2023-24</i></p>	<p>Improving customers' experience with LeO as we lay the foundations we need to provide and sustain a high level of service</p>
<p><i>Business Plan Priority One 2023/24</i></p>	<p>Deliver our commitment to reduce waiting times by engaging and retaining skilled and motivated people</p>

What we want to achieve

The OLC's refocused Strategic Objective One for 2023-24 reflects a continued focus on reaching a level of service that is acceptable to LeO's customers – users and providers of legal services – and ensuring that this is sustainable into the future.

Business Plan Priority One makes clear that LeO's people are vital to achieving improvements in customers' experience, including substantially reducing waiting times and the front-end queue. This isn't only about having the right level of resourcing, but engaging and motivating both new and existing employees, and creating a culture where everyone is supported to perform at their very best.

Draft plans and priorities

Delivering our People Strategy

The People Strategy is the foundation of LeO's ambition to become a great place to work. Building on work in 2022/23, priorities in 2023/24 will include:

- Reviewing LeO's working arrangements and premises needs going forward, and seeking further opportunities under its hub strategy, which has seen LeO use Ministry of Justice (MoJ) estate to extend its regional presence.
- Further developing LeO's leadership development programme, including an aspiring leadership programme, and developing a talent management and succession-planning strategy.
- Using the findings of the 2022 People Survey to improve people's experience of working at LeO, and using employee engagement channels to ensure people feel valued and see their role in LeO now and in the future – supported by personal development and appraisal processes linked to LeO's overall objectives.
- Developing a new Behavioural and Competency Framework and a comprehensive training offer for the whole of LeO.

- Continuing to actively promote health and wellbeing through a range of initiatives.

Improving onboarding, retention and performance management

In a buoyant job market, LeO has needed to think differently about recruitment. While new approaches have been successful for operational roles, recruitment and retention is an ongoing challenge, including in non-operational roles.

LeO has worked to understand the reasons for people leaving, and recognises the need to develop its employee offer to be more competitive compared with organisations who are targeting the same pool of candidates – so it can be an employer of choice locally and nationally. LeO will continue to review and improve its onboarding process, learning from its “Gradbay” induction programme and previous recruitment rounds.

With a significant proportion of non-established investigators (less than 12 months in post) who are gearing up to full productivity, LeO’s operational managers and leaders will continue to be supported to promote high performance among both new starters and existing employees, including reducing variation.

LeO will also work to improve career pathways and development opportunities, helping to ensure people can build a career here. This builds on the success of recent months, which have seen significant internal progression and participation in pilots of new ways of working in LeO’s operations teams.

Promoting equality, diversity and inclusion (EDI) for LeO’s people and customers

Aligned to its People Strategy, LeO’s EDI strategy and action plan will continue to be delivered in 2023/24. LeO’s plans in this area are underpinned by three equality priority objectives:

- **Representation.** This aligns directly with LeO’s wider priority of attracting and retaining skilled and motivated people. It includes developing an attraction and retention strategy with EDI at its core; reviewing the recruitment process; and assessing and addressing under-representation at all levels of LeO.
- **Inclusion.** This includes supporting inclusive leadership via LeO’s new leadership and management programme; ensuring EDI is considered in LeO’s talent management and succession strategy, creating a mentoring programme; continuing to develop LeO’s staff networks; developing a better understanding of how to support neurodiverse employees; and promoting engagement and wellbeing wherever employees are based.
- **Accessibility.** This includes continuing to use customer feedback and data to identify and remove barriers to engaging with LeO; reviewing LeO’s internal guidance and process around reasonable adjustments; training and supporting vulnerable customer champions; and continuing to review and improve the accessibility of LeO’s website.

Looking ahead

LeO is ambitious about becoming an employer of choice – a great place to work for people motivated not only by public service, but by opportunities to develop their career within an innovative, collaborative and inclusive workplace. As the OLC develops its next strategy, we will need to ask questions such as:

- What are the hallmarks of a great place to work – and how might they have changed in five years' or a decade's time?
- What types of organisations should LeO take inspiration from? Who will also be looking for people with the values and skills that LeO needs?
- How might those values and skills change in the future?
- How are expectations likely to change around what it means to be a diverse and inclusive employer?
- How might the demographics and needs of LeO's customers change?

Questions

2. Do you support LeO's plans under Strategic Objective One and Business Plan Priority One? Is there anything else the OLC should take into account in 2023/24 or further ahead?

Strategic Objective and Business Plan Priority Two

Strategic Objective Two 2020-23	<i>Developing our service to ensure it is appropriate for the evolving legal sector</i>
Strategic Objective Two 2023-24	Ensuring our ways of working and Scheme Rules enable us to give the right outcome at the right time, providing valued redress
Business Plan Priority Two 2023/24	Take further steps toward being efficient and proportionate while maintaining quality and accessibility

What we want to achieve

The OLC's refocused Strategic Priority Two makes clear how and why LeO needs to change in the year ahead.

The Business Plan Priority Two underlines the balance LeO needs to strike as it continues its journey to rebalance its service and make it more efficient – driving further efficiency, speed and informality, while safeguarding accessibility and strengthening quality.

Draft plans and priorities

Implementing changes to LeO's Scheme Rules

2023/24 will see LeO's new ways of working reinforced by a set of Scheme Rules that support its longer-term stability.

The new rules, which were [consulted on](#) in the final quarter of 2021/22, will take effect from 1 April 2023. By removing barriers and inflexibility, they will lead to a better customer experience – meaning LeO can provide an outcome, reassurance or signposting early as possible after cases are referred to the scheme. Importantly, they will help make LeO a more proportionate service, meaning it can focus resources on cases where its intervention would really add value, and identify and address service failings that pose a significant risk to consumers of legal services.

Key changes to Scheme Rules from 1 April 2023

Scheme Rule 4.5

- Changing the time limit so that complaints must be brought to LeO within one year of the date of the act or omission being complained about, or of the date the consumer became aware of them.

Scheme Rule 5.7

- Further clarification about the circumstances in which an Ombudsman can exercise their discretion to “dismiss” (decide not to consider) a complaint.

Scheme Rule 5.19 / 5.20

- Providing an Ombudsman with the discretion to decide a complaint should not progress to the final decision stage if no substantive challenge to the case decision findings has been raised.

It is essential LeO can provide assurance that the changes will not have a disproportionate impact on certain groups of customers. LeO will be monitoring customers’ equality, diversity and inclusion data from a much earlier stage of the complaints process, so it can provide assurance around that it remains accessible to parties from a broad range of backgrounds and is consistently delivering fair outcomes and a high level of service.

LeO’s consultation on its Scheme Rule changes estimated that the changes to time limits could result in a 30% reduction in demand. However, while the changes may impact 30% of customers, LeO’s Ombudsmen will have discretion to extend this limit when it is fair and reasonable to do so. For this reason, LeO’s modelling suggests that the changes are likely to see a 10% reduction in cases added to the queue. LeO will be monitoring the actual impact over the course of the year.

Cases already in the queue at 1 April 2023 will continue to be managed under the current Scheme Rules, while new cases will be considered under new rules. LeO will be engaging extensively with stakeholders to ensure legal service providers, consumers and representative bodies are aware of the changes and what they mean practically.

LeO will also be supporting its people to ensure the rules are applied fairly and consistently, updating its case-management system to enable it to report on and evaluate the application of the changes, updating customer communications and its website, and reviewing its quality assurance framework (see below).

LeO will continue to engage with stakeholders about the impact of the first phase of changes and the likely timings of a second phase.

Areas of future focus are likely to include a review of the case fee structure, and how far the early and pragmatic resolution of complaints should be incentivised – bearing in mind the trade-off this could mean in the learning that can be gained from complaints. Other potential areas include the delegation of Ombudsman powers, LeO’s remit over the unregulated legal sector, and LeO’s power to identify and influence systemic issues across the legal sector.

Continuing to deliver efficiencies

While average customer journey times remain at an unacceptable level, LeO’s new front-end processes and focus on efficiencies have resulted in reductions in overall customer journey times.

In 2023/24 LeO will seek to further improve value for money by continuing to evaluate its existing processes. This will ensure LeO’s end-to-end process is efficient, lean and consistent as it transitions into a position of stability in 2024/25, when the front-end queue has been removed.

Changes to LeO’s Scheme Rules will help remove some of the known obstacles to efficient investigations, which will improve the progression of casework. Ombudsman resource will also be freed up to invest in a range of activities, including upskilling investigators, leading to higher quality work at an earlier stage.

LeO will also be refreshing its successful “ideas station”, ensuring it is making the most of LeO’s people’s ideas for improvements, with a particular focus on the investigation process.

Strengthening quality assurance

Following a year of significant change to LeO’s processes and record levels of complaint resolutions, LeO has put in place an interim quality assurance (QA) framework covering the work of its front-end team. It has also commissioned customer satisfaction monitoring for cases closed by early resolution, and will be carrying out external research to benchmark its quality provision.

In 2023/24 LeO will develop a longer-term QA framework, and review its internal quality and feedback model more broadly. Refinements arising from this review should free up resource to carry out more high-level QA work and provide greater assurance to stakeholders about the quality of LeO’s service and outcomes. Ombudsmen will also be able to invest further in supporting investigators, including those handling complex cases, helping to ensure the fairness and consistency of outcomes for customers.

Looking ahead

Since 2021/22 LeO has made a radical shift, rebalancing its casework toward greater proportionality. As the OLC considers its new strategy, it will be asking questions such as:

- What does this shift mean for how LeO articulates its core service?
- In a future when there is no front-end queue, what standards of service should LeO be held to?
- What might wider social and economic changes mean for the types of cases LeO sees, the parties involved, and what they need and expect from LeO?
- Given these changes, how can LeO remain accessible to everyone who needs it?
- Looking ahead, how can LeO deliver a service that is both agile and high quality? What should be the balance of resources across different areas of its work?

Questions

3. Do you support LeO's plans under Strategic Objective Two and Business Plan Priority Two? Is there anything else the OLC should take into account in 2023/24 or further ahead?

Strategic Objective and Business Plan Priority Three

<i>Strategic Objective Three 2020-23</i>	<i>Increasing the transparency and impact of our casework to support greater access to justice</i>
Strategic Objective Three 2023-24	Working transparently and collaboratively to support improvements in the legal sector and access to justice
Business Plan Priority Three 2023/24	Develop our understanding of what insights our stakeholders value, and use this to increase our impact

What we want to achieve

LeO regularly shares insights from its experience resolving complaints about legal services – primarily with legal providers, regulators and trade bodies, who can apply those insights to help drive up standards. The OLC’s refocused Strategic Priority Two emphasises the importance of collaboration in this area of LeO’s work. It also reflects the OLC’s ongoing commitment to transparency around how it is run and the standards of service it is delivering.

Business Plan Priority Three emphasises the need for LeO to develop a stronger understanding of the types of insights and resources its stakeholders value, so that its work in this area can have a bigger impact.

Draft plans and priorities

Getting more stakeholder feedback on LeO’s engagement and insights

LeO runs an annual survey to ask how far stakeholders value and use the learning and insight resources it provides, and receives positive feedback from those who have engaged with LeO, including attending training events.

As a foundation for future engagement, in 2023/24 LeO will engage with stakeholders to get a better understanding on their views about what LeO shares – including topics and themes, the channels used to deliver them, and how stakeholders go on to use what they learn. This will also enable LeO to understand the potential impact of the insights it shares – so it can increase this impact, and explore ways of measuring it.

Delivering and further developing learning opportunities

In 2023/24 LeO will continue to deliver a programme of training and learning events for legal services sector, ranging from general sessions on how LeO works to workshops tailored on specific areas of law or type of complaint.

Developing new forums for two-way insight-sharing and feedback

Building on work in 2022/23 to scope and establish new forums for both legal firms and consumer representatives, LeO will further develop these forums for engagement, embedding them as key engagement channels.

Developing LeO's wider transparency work

LeO's published position on transparency explains the official powers it has to publish information about the complaints it resolves. Building on work in 2022/23, LeO will embed and refine the internal processes it needs to make the most of these powers.

LeO will also continue to contribute to sector-wide work relating to promoting consumer choice and protection – for example, the development of quality indicators.

Understanding LeO's impact

As LeO develops its work under Priority Three, it will explore how it can gauge the impact of this work, including working with stakeholders to understand the difference LeO's insight and engagement has made.

Looking ahead

Over recent year's LeO's primary focus has been recovering its performance. As we look ahead to a future where LeO has reached a sustainable acceptable level of performance, the OLC will be considering questions such as:

- How can LeO better articulate, measure and report on the value and impact of its engagement, insight-sharing and transparency work?
- How should this work be funded and resourced?
- What does the shift toward early resolution and greater proportionality mean for the types of data and insight LeO shares?
- What is LeO currently not doing in this space – and who else should LeO be engaging with?
- How can LeO best contribute to sector-wide initiatives going forward?

Questions

4. Do you support LeO's plans under Strategic Objective Three and Business Plan Priority Three? Is there anything else the OLC should take into account in 2023/24 or further ahead? For example, what more would you like to see LeO do in this space?

Draft Budget for 2023/24

Overview

LeO's people are the heart of the service it provides to its customers. Ensuring the scheme is adequately resourced, retaining skilled people and supporting them to perform at their best, are fundamental to LeO reaching and sustaining a high level of performance within the timeframe it has committed to. This link is reflected in Priority One of this draft 2023/24 Business Plan.

Like many organisations, the OLC is developing its 2023/24 budget for LeO at a time of record-high inflation and uncertainty about how this situation will develop. Against this backdrop, the OLC and LeO have considered different scenarios for inflation and the pay remit. The budget presented here reflect the lowest increase the OLC can request while still ensuring LeO can deliver for its customers and do the right thing by its people.

LeO is not requesting any additional investment in resourcing levels for 2023/24. While it faces a number of inflationary pressures and unavoidable costs, it has looked to minimise and accommodate any increases within its existing budget wherever possible. This has not been an easy task, particularly as LeO continues to prioritise the delivery of historic high levels of performance.

As a result, LeO has managed to keep its 2023/24 budget estimate, before inflation (excluding on energy costs) and pay, broadly level (1.4% higher) with 2022/23 at £15.5 million.

Including inflation at 10% and a pay remit of 8%, the increase is 9.6% – a budget of £16.8 million. This budget will enable LeO to build on the performance gains and stability embedded in 2022/23, while managing pressures relating to increased case resolutions, LeO's strengthened focus on quality, and the monitoring and further development of changes to the Scheme Rules.

LeO estimates that a Law Society member would see their individual levy contribution increase by approximately £7.20.

Salary expenditure	2022/23	2023/24
Corporate	£2,933,635	£2,960,812
Executive and Support	£404,553	£399,446
Finance	£270,049	£330,775
Human Resources	£468,633	£506,307
Facilities	£39,190	£39,023
IT	£522,871	£378,586
Legal	£193,669	£203,798
Service Improvement & Quality	£472,038	£673,072
Business Intelligence	£198,667	£203,222
Programme Management and Assurance	£363,965	£376,582
Corporate vacancy		-£150,000
Policy and impact work	£280,820	£337,611
External Affairs	£249,456	£306,120
Research	£31,363	£31,492
Operations	£9,010,570	£8,998,441
GET	£924,769	£1,077,841
Ops Management	£277,772	£279,610
Ombudsman *	£885,114	£1,785,261
Resolution Centre *	£6,628,981	£5,616,412
* L1 Omb now in Ombudsman CC		
Operational Transformation and Impact	£160,634	£106,017
Annual awards / Apprentice levy	£133,300	£133,300
Total salary expenditure	£12,225,025	£12,296,865

Non-salary expenditure	2022/23	2023/24
IT and telecoms	£1,419,534	£1,561,485
Premises and facilities	£572,023	£621,822
Other staff expenditure	£195,012	£216,430
Depreciation	£531,480	£555,353
Travel	£7,484	£25,400
Interest receivable		-£123,973
Other costs	£366,629	£371,097
Total non-salary expenditure	£3,092,162	£3,227,614

Total revenue expenditure	£15,317,187	£15,524,479
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Costs relating to LeO's people

At the point the OLC was finalising its 2022/23 Business Plan in early 2022, the Consumer Price Index was 5.5%, compared with 9.9% in August 2022. In August 2022 the Institute for Government reported on the recommended pay reviews by public sector pay review bodies. Excluding senior salaries, these ranged from 3.75% to 8.9%. The parameters for the pay remit set annually by HM Treasury, and confirmed in MoJ guidance, is not likely to be known until 2023.

The OLC and LeO recognise the potential for an inadequate pay award to have significant negative consequences for staff morale and retention. An award of lower than 8% would not recognise the very real impact on staff of the rising cost of living. This is especially acute given that benchmarking has confirmed LeO's existing offer for many operational roles is less than the median market salary, even before any disparity in pay awards between LeO and its competitors in the labour market.

There is a small redirection of budget from Operations to Service Improvement and Quality, enabling LeO to review and update its quality framework, and to move the delivery of the framework into the Service Improvement team. LeO's focus on quality is essential in view of both of the record levels of case closures LeO needs to deliver, and the need to monitor for potential impacts of changes to the Scheme Rules.

Non-people costs

In the coming year LeO will also have a number of unavoidable non-staff costs, including those relating to expiring IT contracts. Non-salary expenditure is budgeted to increase by £135,000 (4.4%) before inflation, relating to:

- IT costs, which are estimated to increase by £142,000 due to a number of contracts which will need to be retendered, resulting in exit and onboarding costs.
- A £50,000 increase in the facilities budget, relating to Cardiff hub rent (LeO's potential Leeds hub would have no rent costs), and £30,000 increased electricity costs.
- A £15,000 premium increase for LeO's discretionary income protection insurance.
- Travel and subsistence costs, relating in particular to management travel to LeO's hubs, of £18,000.
- Depreciation decreasing by £24,000 as a result of some assets, such as the case-management system, being fully depreciated at the end of 2022/23.
- Interest receivable (net of corporation tax) of £124,000, which mitigates much of the overall increase.

Ensuring value for money

In 2023/24, LeO's continued focus on onboarding support, performance management and finding further efficiencies will help deliver greater value for money. This commitment is shown in LeO's efforts to minimise costs and absorb potential increases wherever possible, resulting in a year-on-year budget that is broadly level with last year's (an increase of 1.4% before inflation (excluding on energy costs) and pay). In addition:

- Spending will continue to be assessed against the NAO's 4Es model (Economy, Efficiency, Effectiveness and Equity).
- The OLC Board Performance and Quality Task and Finish subcommittee will continue to ensure assumptions underpinning the budget and Business Plan are robustly challenged and tested.
- Monthly reviews will track spending against budget and forecast future spend.
- Business Plan activities will be managed by project methodology to ensure resource is used effectively.

Case fee income

A significant majority of LeO's budget comes from its levy income, with case fee income only covering approximately 7.5% of expenditure.

Case fees are only charged in certain circumstances, and are not charged where no investigation has been carried out by LeO, including cases resolved at an early stage. However, a higher percentage of other cases are going through a full investigation. LeO expects that around 50% of case closures in 2023/24 (50.6% so far in 2022/23, and 42.5% in 2021/22) to be subject to a case fee, giving an income of £1.27 million.

LeO's forecast for case closures factors in the effect of upcoming Scheme Rule changes, which are expected to reduce the number of closures, and so impact the overall case fee income. As explained on page 23, the second phase of the Scheme Rule changes will include a review of LeO's case fee model.

Looking ahead

LeO will continue to be resolving high volumes of cases, including a bigger proportion at an earlier stage. An effective and efficient LeO has clear benefits for both users and providers of legal services, and a higher output will bring about a decrease in unit cost. In the longer term – assuming LeO's front-end queue is removed, and Scheme Rule changes mean its casework can be managed in a way that is better for both LeO customers and LeO – the individual unit cost may be higher, but overall resourcing levels and costs will fall.

As the OLC looks to shape its new strategy, it will need to consider questions such as:

- How might the shift toward early resolution and greater proportionality mean for how LeO is funded?
- How can the structure of case fees better enable fair and positive outcomes for both users and providers of legal services?
- What does a radically more flexible and efficient LeO look like, and what do we need to do to deliver it?

Questions

5. Do you support the proposed 2023/24 budget for LeO?
6. Is there anything else you think the OLC should take into account as it finalises LeO's 2023/24 Business Plan and Budget and 2023-24 Strategy?
7. Once LeO is delivering a significantly improved service, how might it need to evolve to meet customers' future needs and expectations? This will help shape the OLC's thinking as it starts to develop its new multi-year strategy.



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