

Consultation on our business plan and budget 2018-19

Foreword from the Chair of the Office for Legal Complaints

We are seeking your views about our business plan and budget for 2018-19.

The Legal Ombudsman has made strong progress against its business plan, in particular in modernising our business process, implementing a more flexible staffing model and implementing modern, Cloud-based IT and telephony systems. Clean accounts demonstrate the improved financial management and governance now in place. There is more to do in 2018-19 to achieve our ambitious vision for the organisation, but we now have a solid foundation to build on.

Demand for the Legal Ombudsman's service has increased during 2017-18 with both case volumes and case complexity in the legal jurisdiction being significantly above the forecasts in our budget. Consequently, it has been difficult to achieve timeliness KPIs and we expect to start 2018-19 with a backlog of cases.

We have developed a new, more balanced KPI framework in line with the recommendations of the recent MoJ Tailored Review of the Office for Legal Complaints and Legal Services Board.

We need to increase our resources for 2018-19 to deal with our expectation that the higher level of demand for our service will continue, and one-off resources to deal with the backlog of cases. Our original projections for 2018-19 assumed that we would accept 7,000 cases but we now forecast 7,900, a 13% increase. We are seeking a 5% increase in the legal jurisdiction budget. Our unit cost is forecast to fall by 12%. Costs are falling in the CMC jurisdiction, and the overall budget will fall.

Our strategy also commits us to share learning from our work to improve complaints handling by the professions. We have improved our strategic approach to communications and engagement and continue to develop our data. We will play our part in the changing nature of the legal services market as regulation evolves through implementation of the recommendations of the recent CMA review of the legal services market.

We welcome your views.

Wanda Goldwag

Chair, Office for Legal Complaints



Responding to this consultation

The Legal Ombudsman for England and Wales was set up by our Board, the Office for Legal Complaints (the OLC), under the Legal Services Act 2007.

We are independent and impartial. This means that when we receive complaints, we will look at the facts in each case and weigh-up both sides of the story. We are not consumer champions or part of the legal profession, and we are also independent of government. Our service is free to consumers to use, and our costs are recovered from legal and claims management companies.

Last year, we consulted on our new three-year strategy. This is our annual business plan and budget consultation, which is written with our strategic aims in mind. It sets out:

Section	Consultation questions
Our strategy	<ol style="list-style-type: none">1. Do you agree with our strategic overview and analysis?2. Do our vision, mission and objectives remain appropriate?
Annual priorities	<ol style="list-style-type: none">3. Have we identified the right annual priorities for 2018-19? Are there others we should consider?
Our business plan	<ol style="list-style-type: none">4. Does the business plan include the right actions to achieve our vision and strategic objectives?
Our budget	<ol style="list-style-type: none">5. Do you have any specific comments on our proposed budget for 2018-19? Are the assumptions and risks taken into account in setting our proposed budget appropriate?
Measuring our performance	<ol style="list-style-type: none">6. Do you have any comments on the proposed Balanced Scorecard which will measure our performance?

We are seeking feedback from stakeholders on our 2018-19 business plan and budget. The consultation closes at 5pm on **16 January 2018**. Please send your responses to consultations@legalombudsman.org.uk.

The Legal Ombudsman usually publishes a list of those who respond to consultations. If you wish to remain anonymous, please let us know.

Our strategy



Overview of the 2018-19 business plan

Our new three-year strategy 2017-2020 opened a new chapter for the Legal Ombudsman (LeO). We have made good progress against our key strategic priorities during 2017-18:

- our Modernising LeO programme has implemented changes to our business process and a more flexible staffing model;
- we have implemented new, Cloud-based IT infrastructure and telephony and development of our new case management system is on track. These changes address historical IT problems and improve our business processes. Together, they provide an excellent foundation for digitising our service; and
- we have improved our external engagement, communication and feedback to the profession.

We have faced significant challenges during 2017-18 from increased demand - both volumes (13% more cases accepted than budgeted) and case complexity (the proportion of high complexity cases is higher than forecast). These factors have added to the existing backlog of cases. Our 2017-18 business plan highlighted the risks that increased demand would create backlogs and prevent us achieving key performance indicators (KPIs), both of which have crystallised. High workloads have impacted on staff morale and increased staff turnover.

This year, we will start to realise the benefits of the more integrated end-to-end process and improved systems implemented as part of Modernising LeO, enhanced by further innovation in the ways we deliver the scheme. These changes, supported by development in 2017-18 of more robust operational forecasting and modelling, will help us achieve a new, more appropriate set of KPIs. In line with the findings of the recent MOJ Tailored Review of the Office for Legal Complaints and Legal Services Board, we will better balance quality and timeliness so as to drive improved performance.

Another key focus will be to develop more robust data and data assurance to make us more effective in sharing insight, intelligence and feedback from the Scheme to providers, and influence regulators and policy makers.

Key priorities for the next phase of modernisation are:

1. commencing the process of digitising our services, initially through a web complaint form;
2. developing more flexible ways of working; and
3. improving our offer to staff and reducing operational pressures to improve recruitment and retention.

Progress against our 2017-18 annual priorities

Implementation of new business processes and staffing model, testing and rolling out of the new case management system

- We have implemented a new staffing model to increase flexibility. Staff have responded well but survey results and staff turnover show more work is needed.
- We have designed improved business processes which go live fully in Q4 2017-18.
- CMS development is under way and on track to go live in Q4 2017-18.
- A new IT strategy has been developed to digitise our services.

Get the basics right during a period of change by embedding our customer service principles and maintaining quality of service, performance and staff morale

- Demand and case complexity in the legal jurisdiction in 2017-18 to date has been significantly above forecast levels which has affected performance.
- We have made good progress developing new and more flexible ways of working.

Strengthen approach to engagement with stakeholders and provision of feedback to the professions

- We have improved our communications and stakeholder engagement.
- There has been good progress against business plan deliverables under this objective.
- The review of Scheme Rules has been deferred. Progress may be affected by the low likelihood of legislation.

Working with stakeholders, scope the potential options, costs and benefits of delivering the CMA recommendations

- We have agreed to await the MoJ submission in response to the CMA report before determining next steps but progress is likely to be delayed because of the need for legislation and the low likelihood of this due to Brexit.

Strategic issues that will affect LeO over the next five years

Issue	Description	Implications for LeO
Changing case complexity and nature of complaints	Sector improving its first tier complaint handling, changing customer expectations and impact of economic decisions leading to more complex case mix	Cases take longer to resolve, more staff time, increased unit cost per case, missing timeliness targets; more cost-related complaints, need for joint working with Financial Ombudsman Service
Changes affecting the scope of our jurisdiction	Transfer of claims management companies to Financial Conduct Authority/Financial Ombudsman Service, potential redress for unauthorised providers	Need transition arrangements for personnel, public awareness campaigns, analysis of funding
Parliamentary review of ombudsmen	Possible recommendations for change in ombudsmen schemes	May face challenges/need to change ways of working, or may lead the way for other ombudsman schemes
Changes in service providers' business models	Increase in licensing of Alternative Business Structures, new Solicitors Regulation Authority Handbook rules	Need to review operational protocols and data sharing, internal training for staff, new policy development and consideration of implications on jurisdiction/Scheme Rules
Regulatory changes	Potential for independence of regulators from representative bodies	Adapt nature of engagement with regulators
Impact of technological changes	New ways for consumers to engage, higher expectations of data provision	Introduce new methods of communication, and digitise service delivery
Public sector context	Legal and judicial environment post-Brexit, public sector budget restrictions	New ways of working, workforce changes, need for innovation in delivery model and service delivery
Economic context	Increases in interest rates	Possible decrease in conveyancing volumes and complaints

Analysis of strengths, weaknesses, opportunities and threats

Our main strengths are:	Our main weaknesses are:
<ul style="list-style-type: none">• our knowledgeable and committed people and Board members;• improved external engagement and profile;• improved IT infrastructure;• a positive outcome of the MoJ Tailored Review;• the quality of service we provide; and• our reputation.	<ul style="list-style-type: none">• the current Case Management System;• customer and service provider feedback about delays caused by increased demand;• data quality, data assurance and modelling capability;• lack of flexibility in our wider delivery model;• systems to provide feedback from our work;• staff morale, turnover and engagement, particularly given feedback about workload and morale; and• inconsistent ways of working.
Our main opportunities are:	Our main threats are:
<ul style="list-style-type: none">• reviewing and simplifying our business processes, and driving further improvements in ways of working;• working with partners on the relevant recommendations of the Competition and Markets Authority (CMA) legal services market study;• leveraging our insight and intelligence to benefit stakeholders;• realising the benefits of new IT infrastructure and systems;• improving staff engagement and morale; and• implementing the Board effectiveness review.	<ul style="list-style-type: none">• transition of the CMC jurisdiction to the Financial Ombudsman Service;• failure to deliver the intended benefits of our change programme;• complex governance arrangements;• managing increasing patterns of demand and case complexity; and• failure to recruit and retain sufficient staff, competition in the local labour market and public sector pay constraints.

Vision, mission, objectives and values

Our vision:

Our impartial service is recognised as excellent. We add value to the UK's global reputation and protect consumers by helping improve professional standards.

Our mission:

We protect and promote the public interest by investigating complaints impartially and fairly. Our work adds value through evidence-based feedback to the legal profession and claims management companies (CMCs). We make best use of our resources and command confidence as a well-run public body.

Our strategic objectives:

Strategic objective 1:
Effective, efficient and high quality resolution of complaints

Strategic objective 2:
Understand the legal service and CMC environments, and feed back to improve standards

Strategic objective 3:
Develop the scheme and the service we provide

Strategic objective 4:
Modernise LeO to deliver continuous improvement in performance

Our customer service principles:

We will always be clear with you

We will make a difference

We will be understanding and approachable

We will make good use of everyone's time

We will be impartial, thorough and base our work on facts

Our Values:

Open

Fair

Independent

Effective

LEGAL
OMBUDSMAN

Annual priorities



Annual priorities

2018-19	2019-20	2020-21
<ol style="list-style-type: none"> 1. Process simplification and efficiency 2. Develop and deliver against a new suite of key performance indicators that better balance timeliness and quality of service and draw on improved forecasting and modelling 3. New website and digital complaints processes 4. Improve data quality and assurance 5. Improved feed-back to the professions 6. Making LeO a great place to work and develop a more flexible operating model 	<ol style="list-style-type: none"> 1. Subject to business case and availability of capital funding, complete implementation of customer portal or similar 2. Preparation of new three-year strategy 3. Review of the <i>Modernising LeO</i> programme and realise efficiencies 4. Strategic partnerships for professional learning 5. Implement strategy for feeding back to the professions 	<ol style="list-style-type: none"> 1. Priorities will be driven by our new three year strategy 2. Merging the Chief Executive and Chief Legal Ombudsman roles in 2020-21

Business plan



Key business planning assumptions

Core assumptions

1. Core “demand” for our legal jurisdiction has increased significantly above our original forecast of 7,000 cases to 7,900 legal cases. This is broken down into 14% high complexity (1,106 cases), 43% medium (3,397 cases) and 43% low (3,397 cases).
2. We are forecasting reduced demand in the CMC jurisdiction (1,750 cases rather than the original forecast of 3,400).
3. The increase in legal demand during 2017-18 (forecast to be around 13%) has created backlogs which require additional, one-off resources to eliminate in 2018-19.
4. Pay increases are limited to 1% which will be added to the figures in this consultation when the MoJ applies inflationary uplifts.
5. We are assuming no significant changes in jurisdiction in 2018-19.
6. Our new processes, staffing model and case management system will allow us to improve performance, reduce unit cost and achieve operational staffing reductions from April 2019 (assuming stable demand and case complexity).

CMC jurisdiction

1. The CMC jurisdiction will transition to the Financial Ombudsman Service no earlier than April 2019; in the context of significant uncertainty about the precise timing of transition and detailed approach to this, we have assumed that:
 - a) CMC costs will continue to be financially ring-fenced from legal work and separately funded.
 - b) Indirect costs are unlikely to reduce significantly as a direct result of losing the CMC jurisdiction.
 - c) We will be able to meet our aim of avoiding compulsory redundancies by implementing a new structure and using turnover and fixed term contracts/contractors in the CMC jurisdiction.
 - d) A separate budget will be required to cover any transitional costs associated with the transition of CMCs.
2. Bad debt write-off costs will be significantly lower than budgeted in 2017-18.

Indirect costs

1. We will reduce our estates footprint by 25% from April 2018; this will be reflected by increased income rather than showing a reduction in gross costs; our net cost will reduce by £160k as a result of this efficiency.
2. We will decommission the current case management system in 2018-19 and will have dual running costs.

Objective 1: Effective, efficient and high quality resolution of complaints

Objective	Deliverable	Timescale
Deliver an improved customer service experience in line with our customer service principles	Improve customer experience through effective implementation of new business process and further innovation in our ways of delivering the scheme	December 2018
	Promote equality and diversity throughout the delivery of our service	Each year
	Review the quality improvement framework	March 2019
Improve our quality	Enhance service improvement framework to implement knowledge strategy and learn from service complaints, quality reviews and staff feedback	March 2019
	Implement more robust feedback processes for quality and fully align with customer service principles	
	Implement remaining actions arising from language of complaints research	
	Consider and maximise use of scheme rules to achieve timely resolutions (Chapter 5)	
Deliver efficiencies through new ways of working	Implement continuous improvement of our new business model and business processes to realise additional efficiencies	March 2019
	Realise initial productivity improvements from new ways of working introduced during 2017-18 (new business processes and flexible resourcing strategies)	From Q1 2018-19
Drive improved service through more effective forecasting and performance management	Implement improvements in forecasting and modelling	Ongoing throughout 2018-19
	Fully implement new Key Performance Indicators and review	July 2018

Objective 2: Understand the legal service and CMC environments, and feed back to improve standards

Objective	Deliverable	Timescale
Refresh stakeholder engagement strategy	Refresh communications and engagement strategy	Each year
	Build on our improved engagement with Parliament and the National Assembly for Wales	
	Introduce quarterly update for stakeholders in LeO News bulletin on recent cases/learning points	June 2018
Improve the volume and value of feedback to service providers, the public and stakeholders	Scoping project to set out strategic direction for feeding back to the profession	October 2018
	Influence professional practice through improving quality of case studies, researching prospective themed reports, delivering a minimum of six periscope-style videos, and piloting webinars	Each year
	Influence education and training through the development and delivery of a minimum of four professional learning courses per year, and taking a more strategic approach to speaking engagements	
	Enhance use of social media and website to promote understanding of our service, to share research findings, and to feed back to the profession	
	Increase media presence by producing press releases and feature articles in the press, and maintain Klout score of at least 40	
Improve complaints handling by sharing our information and insights	Explore mechanisms for sharing our information and insights including case studies, joining in with national awareness campaigns to promote our service and our consumer awareness guides, finding new means to share information and collaborate (including new web presence)	Each year
	Refresh external website to improve accessibility and communication of service information/reporting, and increase traffic by 10%	March 2019
	Project to improve two-way data sharing with regulators, in particular through the single digital register	June 2018
Develop our professional learning	Explore the possibility of offering our professional learning courses online as eLearning	March 2019

Objective 3: develop the scheme and the service we provide

Objective	Deliverable	Timescale
Work with others to identify and explore potential opportunities improve access to justice	Work with the Ministry of Justice and provide data available from our current business process to improve understanding of the unregulated sector	Ongoing Q1-4 2018-19
	Work with stakeholders to develop a single digital register of regulatory data and overhaul the Legal Choices website	2018-19 to 2019-20
Consider approaches to alternative dispute resolution (i.e. mediation, adjudication) and include outcomes in scheme rules review	<p>OLC Board has decided not to pursue ADR at this time after reviewing options paper</p> <p>Scheme Rules review postponed until political landscape becomes clearer (including consultation on proposed new framework for publishing decisions)</p> <p>Align any work in this area with the All Party Parliamentary Group review of ombudsman schemes</p>	TBC

Objective 4: modernise LeO to deliver continuous improvement in performance – infrastructure, resources and efficiency

Objective	Deliverable	Timescale
Enhance service and deliver efficiencies through digital developments	Build on our new case management system to provide additional efficiencies	September 2018
	Refresh our external website to provide improved mechanisms for stakeholder engagement	March 2019
	Design and deliver customer assessment tool (complaint form)	September 2018
	Strengthen our approach to cyber security to enable the provision of self service functions on our website	March 2019
	If appropriate, implement further portal/self-service functions on our website	March 2020
Reduce our information footprint and maximise our IT investments	Decommission previous case management systems	Target October 2018
	Implement processes to comply with GDPR and assess impact	May 2018
	Make SharePoint Online work better for LeO's internal communications and knowledge sharing	June 2018
	Implement processes to improve information and records management	March 2019
Improve data quality, integrity, management information and business intelligence	Develop better data management and reporting to assure the integrity of data produced and to better support our research and feedback to the professions	September 2018
	Develop dashboards for improved strategic MI	

Objective 4: modernise LeO to deliver continuous improvement in performance – people and ways of working

Objective	Deliverable	Timescale
Attract and retain great people	Implement new flexible working policy and ensure our IT supports and enhances our offer to staff	December 2018
	Develop a more flexible operational resourcing model to help meet peaks of demand	July 2018
	Develop partnerships with local academic institutions and apprenticeship providers to improve pipeline of staff	July 2018
	Establish improved occupational health and well-being services to reduce sickness and turnover	September 2018
Grow our own people	Put in place effective career pathways and succession plans to support our new staffing model	September 2018
	Review and refresh appraisal system to achieve stronger development focus	September 2018
Develop leadership at all levels and the right cultures and behaviours	Build coaching capacity and feedback culture to support our new behaviours and employee 'deal'	December 2018
	Ensure leadership is a key element of enhanced reward and recognition structures introduced under new employee 'deal'	September 2018
Maximise the benefits of diversity within our workforce	Demonstrate improvement in staff well-being and positive mental health in the workplace through Time to Change	November 2018
	Strengthen Equality and Diversity forum	September 2018

Budget



High-level 2018-19 budget

The table below provides a historical perspective on the OLC's budgets, and our proposed indicative revenue budget for 2018-19. Our budgets need to be approved both by the Legal Services Board and Ministry of Justice. Excluding bad debt expenses, staff costs account for around three quarters of our costs. This is the budget for both our existing work for legal complaints and for our claims management jurisdiction. These budgets and expenditure are ring-fenced as each is paid for separately by the legal profession and Grant in Aid (which is then recovered from the industry) respectively.

	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 actual	2016-17 Actual	2017-18 budget	2018-19 indicative *
Legal Expenditure	£16.7m	£15.8m	£12.9m	£11.6m	£10.4m	£11.85m	£12.5m
Legal Case activity (cases resolved)	7,360	8,055	7,440	6,416	7,000	7,000	8,425 **
	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 actual	2016-17 actual	2017-18 Budget	2018-19 indicative
CMC – core costs	-	-	£0.8m	£2.1m	£2.1m	£3.0m	£1.99m
CMC case activity (cases resolved)			NA	1,740	2,636	3,400	1,750
TOTAL OLC budget	£16.7m	£15.8m	£13.7m	£13.7m	£13.6m	£14.85m	£14.5m

* 2018-19 figures are net of inflationary uplifts the MoJ apply to final budgets (2017-18- £0.25m), and estates costs/income from sub-letting 25% of our office to another public body from 1 April 2018.

** 7,900 incoming cases plus backlog cases from 2017-18 closed in 2018-19 less closing unallocated queue at the end of 2018-19.

Our indicative capital budgets, which are funded directly by Government and recovered through depreciation charges included in our revenue budgets, are set out below. These cover investments in our infrastructure, particularly information and communications technology and digital.

	2016-17 actual	2017-18 budget	2018-19 indicative	2019-20 indicative
Capital budget	£0.431m	£0.49m	£0.25m	£0.5m

2018-19 budget

Our proposed total budgeted revenue expenditure for 2018-19 is £14.5m, with a capital budget of £0.25m. The CMC budget has reduced from £3m to £2m as a result of falling demand and reduced bad debt costs. The indicative legal budget has increased from £11.85m in 2017-18 to £12.5m in 2018-19. The increase in the legal budget is driven by the impact of increasing demand, both case volumes and case complexity. This has two elements:

1. Our 2017-18 budget assumed accepting and resolving 7,000 cases. We currently forecast accepting 7,900 cases (an increase of 13%). We assumed 10% would have a high complexity, but have run at 14% in the first eight months of 2017-18. This has created a significant backlog of work which requires one-off, time-limited resources to eradicate in 2018-19 (estimated one-off costs of £0.57m in 2018-19 only); and
2. We are forecasting similar demand in 2018-19, which means that our original budget and staffing model is insufficient. Our modelling suggests the need for an increase of £0.54m in staffing costs to meet a caseload of 7,900 cases accepted.

The budget also reflects one-off costs of modernisation, particularly in IT. We will be running two case management systems during 2018-19, have inflation in licensing costs, and need to make a number of one-off investments to modernise our IT infrastructure, data and records management.

We will reduce our estates footprint by sub-letting 25% of our office to another public body from April 2018. We still have to show our gross costs, but will receive additional income which offsets those costs and reduces annual net estates costs by around £0.16m. All figures in this paper are shown net of both the estates costs and associated income, both of which will be included in the final budget.

Our forecast unit cost for 2018-19 is significantly lower even with a higher budget. Compared with a budgeted legal unit cost of £1,685 in 2017-18, the proposed budget will deliver a unit cost of £1,484 (net of estates costs and associated income).

Legal jurisdiction	2013-14	2014-15	2015-16	2016-17	2017-18 (budget)	2018-19 (indicative)*
Cases resolved	8,055	7,440	6,416	6,573	7,000	8,425
Average unit cost (£)	1,950	1,716	1,813	1,587	1,685	1,484

* Net of MoJ inflationary uplifts and estates expenses/income for space released to another public body from 1 April 2018.

We are confident that the changes we are introducing through investment in our Modernising LeO programme will deliver efficiency gains from 2019-20. As we improve our processes, we will review and reduce our establishment in both corporate and operational areas.

Securing sufficient capital to complete critical changes to our IT systems and hardware is a critical enabler of improving performance and customer service. To support our strategic goals we require capital expenditure of £0.25m in 2018-19 to cover:

- Digitising our service by developing a new website and web complaint form;
- Investments to reduce future storage costs in our new Cloud-based infrastructure; and
- Ongoing investment in maintaining our infrastructure and refreshing computers used by our staff.



Key budget risks

The general **risks** to the business plan remain similar to those outlined in previous years, including, for example, variation from anticipated contact and case volumes, high staff turnover levels, and unanticipated judicial review costs. Inflation, the falling value of sterling and uncertainty about the availability of skilled labour could increase cost pressures in our non-pay budgets. Specific financial risks identified for 2018-19 are:

Risk	Mitigation
<p>Demand - the major risk is that our forecast case load proves inaccurate, which has been the fundamental issue in 2017-18.</p>	<ul style="list-style-type: none"> • More flexible staffing model and reliable IT • Innovation and smarter working will be a key focus of our modernisation programme • If demand increases significantly beyond budgeted levels we will need to adjust our expectations about KPI performance
<p>Operational resourcing (legal) - high turnover and absence materially impacts our performance, and increases cost.</p>	<ul style="list-style-type: none"> • Process changes will improve flow and process efficiency • We have adjusted staffing numbers to help meet increasing core demand • Creation and one-off funding of a transition team to close accumulated backlog of cases at the end of 2017-18 • Routine pay benchmarking exercise • We are developing our offer to staff to achieve a stronger market position • We are seeking to develop a more flexible and agile resourcing model through strategic partnerships and expansion of our ombudsman pool
<p>Operational resourcing (CMC) - specific risks should staffing levels fall before transition.</p>	<ul style="list-style-type: none"> • Use of fixed-term contracts and agency staff • Vacancy management and use of more flexible resourcing model

Measuring our performance

Developing our performance management framework

The Tailored Review of the Legal Ombudsman and Legal Services Board recognised that timeliness – avoiding undue delay – is a key element of performance, but is not the only one.

Tailored Review of 2017

“It is the opinion of the review team, that while measuring timeliness is important, it can be a distorting target resulting in a focus on quickly closing cases rather than on providing a thorough investigation and a good quality of service.” *[para 4.24]*

“The review team agrees with the OLC’s view that quality and customer experience are better indicators of performance than timeliness. Whilst it is still important to measure timeliness and value for money, there is a balance to be found between all three.” *[para 4.48]*

So we have sought to develop:

- better measures of timely service than the use of a single, fixed % target for timeliness regardless of demand, case complexity, outcome and resource;
- measures of customer and provider satisfaction that take account of the influence of the outcome on one or both parties’ views; and
- measures of our work to feed back to the profession and engage with stakeholders.

Recognising that our ability to meet demand depends on case volumes and complexity, we propose to set KPI ranges for each type of case complexity at the start of each year but review them using improved operational forecasting model on a quarterly basis. We may adjust timeliness KPIs if demand (case volume and complexity) suggests this is appropriate.

The KPI framework is set out on the following two slides.

Our proposed new performance management framework

Our vision:

Our impartial service is recognised as excellent. We add value to the UK's global reputation and protect consumers by helping improve professional standards.

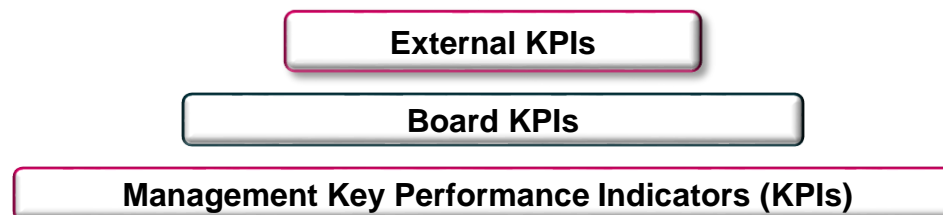
Our mission:

We protect and promote the public interest by investigating complaints impartially and fairly. Our work adds value through evidence-based feedback to the legal profession and claims management companies (CMCs). We make best use of our resources and command confidence as a well-run public body.

The elements of our performance management framework:



The suite of indicators our performance management framework will report against



Proposed external KPIs

Objective	Measure		KPI	
Customer experience and quality			Legal	CMC
Ensure no undue delays in progressing cases	% cases concluded within target for that category of case (based on cases concluded in period) <i>The KPI target may be adjusted should resource/demand change above a pre-agreed tolerance.</i>	High ¹	TBC – 90/180/365 days	NA
		Medium ¹	TBC - 90/180 days	
		Low ¹	TBC - 90/180 days	
		All	TBC 90/180/365 days	
Deliver against customer service principles	% customer satisfaction at the end of the process with service (those satisfied with outcome)	Complainant	>80%	>80%
		Service provider	>80%	>80%
	% customer satisfaction with service at the end of the process (those dissatisfied with outcome)	Complainant	>20%	>20%
		Service provider	>20%	>20%
Improve our quality	% of service complaints upheld when considered by independent service complaints adjudicator		Trend	Trend
Reputation and raising professional standards			Legal	CMC
Sharing insight	% of stakeholders agreeing that LeO provides value-adding insight through its feedback		TBC	
Advocacy and reputation	Advocacy: % of complainants satisfied with their outcome who would speak highly of LeO	Complainant	TBC	NA for CMC
		Service Provider	TBC	
	Advocacy: % of complainants dissatisfied with their outcome who would speak highly of LeO	Complainant	TBC	NA for CMC
		Service Provider	TBC	
Efficiency and resilience			Legal	CMC
Efficient and effective resource management	Unit cost per case	All complexities	TBC	TBC
People, leadership and culture			Quarterly	Rolling annual
Recruit and retain the right staff	Quarterly and rolling turnover rate		TBC	TBC
	Average days per FTE lost to sickness	Short-term	TBC	TBC
		Long-term	TBC	TBC
	Civil service and quarterly Pulse survey engagement index		TBC	TBC

¹ Separate recording of KPIs for high, medium and low cases will only be possible for those in the new CMS so will be phased in

