Meeting	OLC	Agenda Item No.	6
		Paper No.	101.5
Date of meeting	27 January 2020	Time required	30 Minutes

Title	Performance Report
Sponsor	Brendan Arnold
Status	OFFICIAL
To be communicated to:	Members and those in attendance

Headline Observations

Performance in December delivered 472 closures which was 55 closures below target. This reflected the operational impact, including re-allocations, of an unanticipated level of resignations and leavers following recruitment by FOS and LGO in the local area. These recruitment processes are also believed to have been underlying the performance at the end of November which was lower than planned. However, taken together with the November figures, these results entail significant reflection on future plans and in particular the ambition contained in the Road Map to Green constructed during the Autumn of 2019 where the base assumptions are in the process of being re-visited as part of the update already planned.

The number of closures per investigator in November - at 7.2 cases per capita - reflected that obtained in October although the position in December fell to 6.3 cases per capita, reflecting the shorter month.

The Executive has launched a detailed review to explore the way that the various tool sets that are available to the teams to manage their delivery are being used in practice. It is expected that this will bring forward a number of opportunities for management action and this will be reported in the weeks ahead.

Customer Journey Times have continued to fall for Low and Medium complexity cases.

Two timeliness KPI's are adrift from target and these are for High complexity cases. Unit costs are outside target this month and attrition has also increased. The reasons for this are explained in the Appendix.

In summary December has been disappointing but in some respects not unexpected. Taken together the results in November and December bear reflection and analysis, and as reflected in the recent meeting with Senior Officials from MoJ and LSB, a number of 'bumps in the road' are to be expected in reaching the improvements sought. Detailed information is included in Appendix 1.

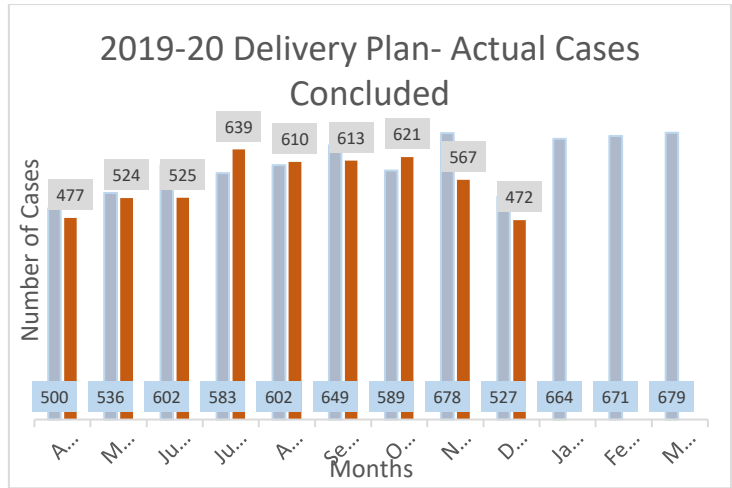### Recommendation/action required: Board is asked to NOTE the report

Appendix 1

1.   Closure Output

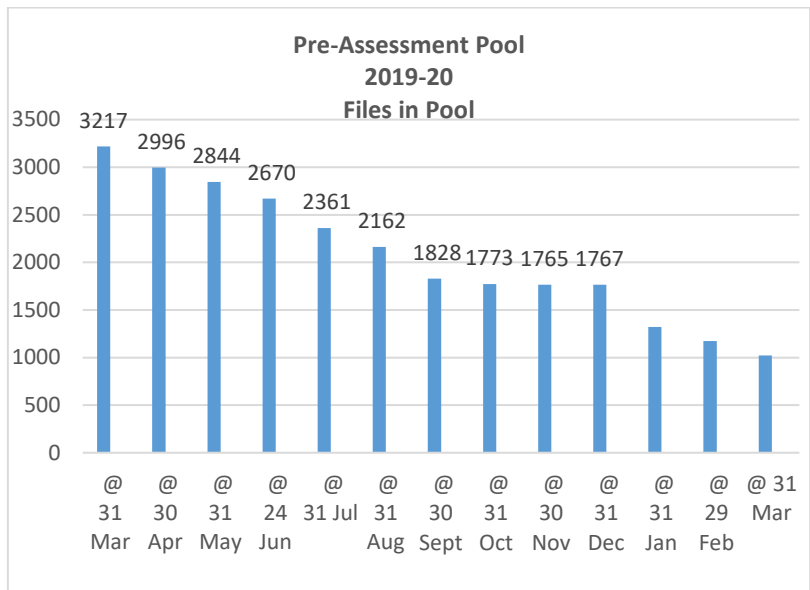2.1 The following graph and table supports the position referred to in the Executive Summary.

Monthly Performance Against Delivery Plan (2019/20)			
Months	Delivery Plan Target	Actual Closures	Over (+)/Under (-) Attainment of Target
April	500	477	(23)
May	536	524	(12)
June	602	525	(77)
July	583	639	+56
August	602	610	+8
September	649	613	(36)
October	589	621	+32
November	678	567	(111)
December	527	472	(55)
January	664	-	-
February	671	-	-
March	679	-	-
Total	7,280	5,048	(218)

Cumulative target closures to December: 5,266
Cumulative actual closures to December: 5,048, shortfall: 218

2019-20 Delivery Plan- Actual Cases Concluded

Number of Cases / Months

| | 500 | 536 | 602 | 583 | 602 | 649 | 589 | 678 | 527 | 664 | 671 | 679 |

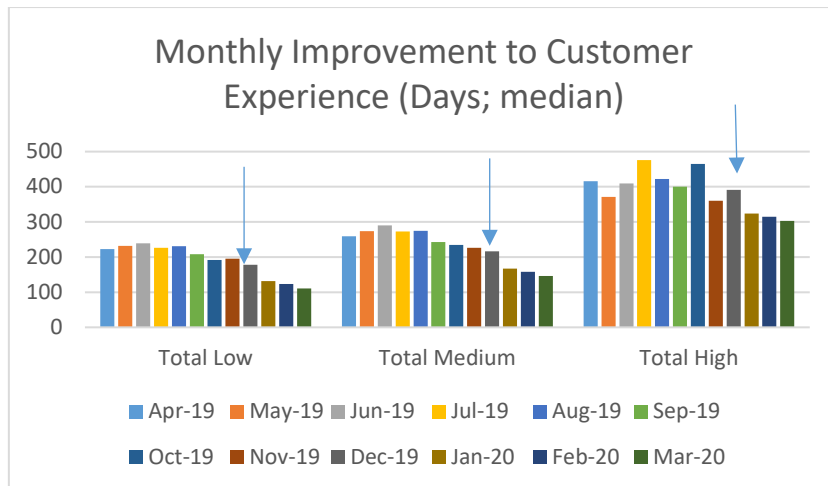Orange bar values: 477, 524, 525, 639, 610, 613, 621, 567, 472

2. The Pre-Assessment Pool

3.1 Reflecting the disappointing closure performance the number of files awaiting assessment remained broadly stable at 1,767 files. If - as expected - there is a degree of recovery in performance in the last quarter of 2019/20, the trajectory is expected to resume a downward trend.

**Pre-Assessment Pool
2019-20
Files in Pool**

3217, 2996, 2844, 2670, 2361, 2162, 1828, 1773, 1765, 1767

@ 31 Mar, @ 30 Apr, @ 31 May, @ 24 Jun, 31 Jul, @ 31 Aug, @ 30 Sept, @ 31 Oct, @ 30 Nov, @ 31 Dec, @ 31 Jan, @ 29 Feb, @ 31 Mar

3. The Customer Journey Time

4.1 The Customer Journey Times for Low and Medium complexity cases continued to fall in December although that for High complexity cases saw an increase; this category is more variable based on the low volumes (just 1% of case load) such that small numbers of cases can imbue a larger than expected % adjustment. The Executive is exploring ways of bringing additional focus to High complexity cases.

Monthly Improvement to Customer Experience (Days; median)

500
400
300
200
100
0

Total Low   Total Medium   Total High

■ Apr-19 ■ May-19 ■ Jun-19 ■ Jul-19 ■ Aug-19 ■ Sep-19
■ Oct-19 ■ Nov-19 ■ Dec-19 ■ Jan-20 ■ Feb-20 ■ Mar-20

Customer Journey Times to end December 2019 (Days, Median)

Complexity/Month	A	M	J	Jy	Ag	S	O	N	D	J	F	M
Low	223	232	239	226	231	208	192	195	178	132	123	111
Medium	259	274	290	273	275	243	235	227	216	167	158	146
High	416	371	409	476	422	400	465	360	391	324	315	303

Note: the figures from January to March are targets

4.2 The arrows on the above graph indicate the position reached in December.

5. Human Resources & Engagement

5.1 Although staff attrition had reduced from 21.3% in September to 19.0% in November, in December, the recruitment recently of LeO's staff by FOS and LGO has entailed an increase to 22.5%. LeO is unable to compete on salary levels.

5.2 To respond to a desire for staff to be consulted regarding the way the business is being run the Executive has within the last few days run four sessions for the workforce with briefing and discussion on the future strategic course 2020/21 onwards These sessions appear to have been well received.

5.3 In addition to this the Executive has resolved to launch a Discussion Circles process across the business with the objective of allowing staff to contribute ideas to solve problems in a neutral space for consideration and if possible solution. This to foster a tradition of open and transparent business conversations in a safe environment.

6. KPI's

6.1 With regard to KPI's a summary of the performance to the end of December 2019 appears at Annex A. Performance remains positive and only two timeliness indicators are presently adrift from plan, both relating to high complexity cases (just 1% of the case load) and as referred above steps are being taken to provide greater operational focus in this area. Unit Costs are not within target in December because of the lower level of closures.

7. Business Change & Discovery

7.1 A number of activities are underway to explore the feasibility of using Artificial Intelligence and Machine Learning in improving cost and efficiency in business process. In addition consideration is being given to using a fast track approach for some low complexity cases.

7.2 Meanwhile the Discovery process for the front end of LeO's processes (in the Advice & Support area) is moving forward as planned. This is the last area of LeO's operations to be subject to a detailed review process and the intention is to acquire clarity on the behaviour of the complex contact stream that is handled by LeO, particularly following the many changes and improvements made in the last two years and in relation to the further planned improvements.

7.3 Of the 110,000 contacts received in a typical year c. 7,000 are taken forward for investigation. The Discovery process has the objective of enhanced understanding of the dynamics in the process flow following all the changes/improvements made to date and to set in place performance indicators that will define improved customer service for advice and Customer Journey Times.

7.4 Board will rightly infer that the elimination of unnecessary waiting time at the front end is a key strand of this work, including any identified waiting time for our advice and support service and accordingly the Executive expects to have a *definitive* view of all waiting time that applies to all contacts, files and cases when this work is complete, including the likely impacts of further improvements proposed or underway at the advice and support end of service delivery.

7.5 The results will be fed into the updated Road Map to Green which is to be presented to OLC Board and the LSB Board in March and for which prior briefing will be provided. The Executive has the clear intention of improving the Customer Journey Time both at the front end and through investigation and closure to the maximum extent possible. The updated Road Map to Green will set out the way forward to achieve this.

8. Advice & Support Service

8.1 The Advice & Support Service is the area of LeO which is the contact point for all incoming enquiries. The function deals with all incoming contact through live chat, emails, telephone calls, letters and the Customer Assessment Tool. Items arriving within these channels are sorted into the following work streams: complaint correspondence, general queries, jurisdiction challenges, items out of jurisdiction, premature enquiries and items for sign posting. The team provide the necessary advice and support, including vulnerable customers, in accordance with each type of contact.

8.2 Other functions undertaken include the update of existing contacts, the dispatch and collation of Equality & Diversity questionaires and preparing files for subsequent assessment elsewhere in the Operations Team. As referred above, this area of service is the last part of LeO's operations to be reviewed and is the subject of the Discovery activity.

8.3 As with the investigator community this team sustained a high level of staff absence in December arising from departure of 2 call handlers – a key resource in this service area – the impact of recent recruits working long notice periods, long term sickness and maternity leave. Cumulatively these effects resulted in absence of 20% in the month with a consequent impact upon business activity.

Annex A: Monthly KPI and tolerance report – December 2019

Target met:		Target not met but within tolerance:		Target not met & outside tolerance:	
	(green)		(orange)		(red)

Measure	KPI	Tolerance	A %	M %	J %	Jy %	A %	S %	O %	N %	D %	J %	F %	M %	Notes
% cases concluded in new CMS (CEQ2a)															
90 days (low)	65%	10% off target for more than 2 consecutive months or 2 months out of 4, in any category	89	83	83	86	86	85	77	71	73				The items that are showing red are for High Complexity cases where small numbers of closures can influence %'s disproportionately.
90 days (med)	40%		54	50	45	52	45	49	41	42	39				
90 days (high)	0%		25	11	8	13	18	0	4	14	17				
180 days (low)	90%		98	99	99	98	98	99	98	98	96				
180 days (med)	85%		92	91	85	85	84	90	85	89	86				
180 days (high)	33%		75	56	33	20	27	30	9	24	17				
365 days (low)	99%		100	100	100	100	100	100	100	100	100				
365 days (med)	95%		100	100	98	100	100	99	99	99	96				
365 days (high)	85%		100	100	83	93	88	91	57	76	75				
% 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	50	59	67	67	63	60	61				
Within 180 days	78%		63	72	70	74	84	89	89	91	89				
Within 365 days	95%		69	78	77	83	94	96	96	97	97				
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	21.8	21.6	21.6	22.0	21.3	19.0	22.5				The adverse increase between November & December Reflected the impact of the FOS and LGO recruitment Campaigns. 2 staff left LeO in December 2018 compared with 10 in December 2019.
Unit Cost per case (IRE8)															
Legal all complexities – net of estates income and gross costs	£1695	>£100 over target – 3 month rolling average	2118	2047	1952	1554	1574	1665	1657	1645	1921				Unit costs are outside of tolerance in December reflecting the Low level of closures in that month