Meeting	OLC Board Meeting	Agenda Item No.	5
		Paper No.	122.4B
Date of meeting	15 September 2022	Time required	10 minutes

Title	Performance
Sponsor	David Peckham Head of Operations, Business Information and Business Transformation
Status	OFFICIAL / OFFICIAL SENSITIVE

Executive summary

The slide deck attached shows the achievement against key performance indicators for August of 2022/23. It links also to:

- the Agreed Data Set (ADS) for August 2022 which will be published on 14th September: and

Key points for the OLC Board to note:

- August case closures were 834 against a Business Plan (BP) assumption of 853
- 2nd highest closure performance since modernising LeO
- Q2 to date 2022 closures are 67% up on the same period 2021
- Front End Team (FET) achieved 477 - assumption 291
- Established investigator resource is 37% down on same period last year, currently 48.16 FTE
- 62% shorter journey time for low complexity cases in FET – 140 days and overall Customer Journey Time 15% below our lowest measure of 325 days
- Pre Assessment Pool (PAP) below 22/23 Business Plan level (4931 v 5071)
- 6th consecutive months reduction in PAP
- Core demand is stable
- 71% Reduction in the number of customers awaiting reallocation to a new investigator.
- FET and Business As Usual (BAU) combined productivity for established. investigators 10.10
- Attrition, maternity leave and sick absence are running ahead of business plan assumptions. Factors contributing to attrition are job market picking up, and salaries that are not competitive compared to other employers. LeO's continued focus on operational performance variation has an impact also, probationers not reaching the requirements and some for whom working from home didn't suit their circumstances
- Successful implementation of Robotic Process Automation project, with predicted FTE savings being realised

Recommendation/action required

Board is asked to **note** the paper.

15/09/2022

OLC Board Operational Performance - 2022/23 YTD to YE

LEGAL
OMBUDSMAN

Summary

The progress made from quarter 1 is continuing with the **second highest** closure performance since the modernisation of LeO. This has been achieved despite August having the most amount of working days lost of any month in 2022/23 due to annual leave. We expected to have closed **853** cases, we delivered **477 closures from FET and 357** investigation closures taking the total closures to **834**. / **98%.** August 2021 saw us close 454 cases with 76.70 established investigators. August 2022 performance was achieved with 48.16 established investigators.

Current Quarter 2 performance represents a **67%** increase on the equivalent period last year despite more annual leave being taken in this period. So far in Quarter 2 2022/23 we have closed **1566** cases. Quarter 2 at this stage in 2021/22 had seen **936** closures in total across all customer initiatives.

The PAP continues to not only reduce but remain below Business Plan assumptions. The PAP is currently at 4931 which is a 3% reduction of the BP target (5071) and keeps us ahead of our year end position.

Operational focus remains on ensuring the small shortfall in closure numbers during the increased leave period are attained and we remain confident that we are on track to deliver Business Plan targets and the stated aim of a PAP of 3109 and 10000+ closures.

We will be completing a Quarter 2 review of performance and all trajectory assumptions against all workstreams and known variables. This review will allow us to assess forecasts for the remainder of 2022/23, ensure accuracy of 2023/24 trajectories and test in-train initiatives such as Gradbay for operational effectiveness.

LEGAL OMBUDSMAN

In month headlines August 2022

PAP volume - 4931

PAP BP assumption for Aug 22 - **5071**

864 of these cases are currently in the early proportionality queue.

Current Average 90% conversion rate to close as early closure.

Current Projected PAP size for end of year is **3061**

against expectation of 3109

Closures

BP assumption - 853

Achieved - 834

Early closures assumption - 270. Achieved - 477

Achievement against Business Plan - 95%

Customer Journey Times

Target in days - Low 325, Medium 500 and High 500

Achieved - in month Low 369, Medium 588 and High 763 FET 140

Including all initiatives the CJT is 274 days for a low complexity case

Productivity

Productivity established investigators BP assumption - 5.8

Achieved 4.67 on post investigation closures

FET have achieved 26.25

Combined across all teams, the productivity rises to 10.10

Next cohort on course to become established is Sept 21

FTE

Recruitment model expected 59.67 established FTE

Actual is 48.16 FTE (excluding LTS/MAT Leave)

split between new and established investigators is
        now **xx%** non-established and **xx%** established

LEGAL
OMBUDSMAN

Closures 2022/23 YTD & Forecast

| 22/23	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
BP Assumptions	772	788	825	844	853	869	876	875	892	885	894	871	10244
Cases closed after investigation	299	352	431	325	357	595	559	673	321	658	554	775	5897
Early Closures (FET)	415	459	447	407	477	291	291	291	291	291	291	291	4242
Overall Total	714	811	788	732	834	886	850	964	612	949	845	1066	10049

22/23 Closure Performance
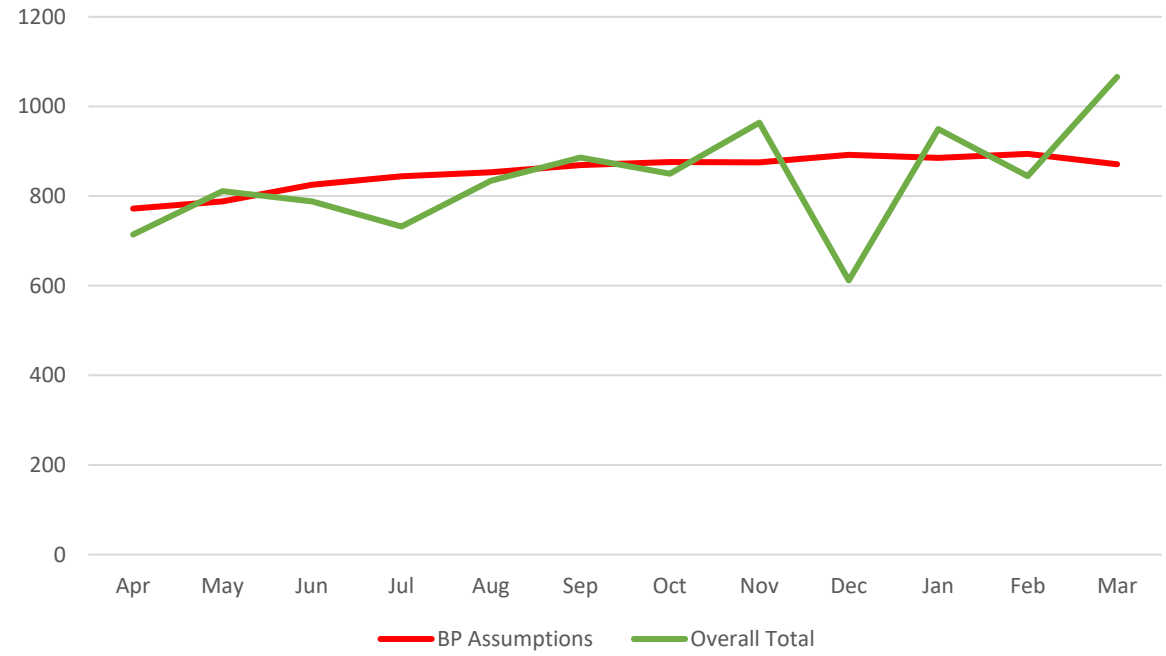
- In Month performance on new initiatives saw the best performance from FET with 477.

- Seasonality and loss of working days had impacted the beginning of quarter 2, the operations teams have worked relentlessly to bring August back close to the Business Plan target. With the summer season and school holidays now coming to an end we expect continued strong performance into September and a strong end to Quarter 2.

- Quarter 2 performance continues to be strong and at levels unseen in previous years. Current Quarter 2 performance represents a 67% increase on the equivalent period last year despite more annual leave being taken in this current period. So far in Quarter 2 2022/23 we have closed 1566 cases. Quarter 2 at this stage in 2021/22 had seen 936 closures in total across all customer initiatives.

LEGAL OMBUDSMAN

4

2023/24 - Looking Ahead

23/24 Total closures numbers

| 23/24	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
BP Assumptions	816	820	805	806	797	829	817	827	827	818	827	804	9793
Cases closed after investigation	586	719	696	659	636	671	678	750	345	735	625	551	7651
Early Closures (FET)	176	176	176	176	176	176	176	176	176	176	176	176	2112
Overall Total	762	895	872	835	812	847	854	926	521	911	801	727	9763

23/24 Closure Performance
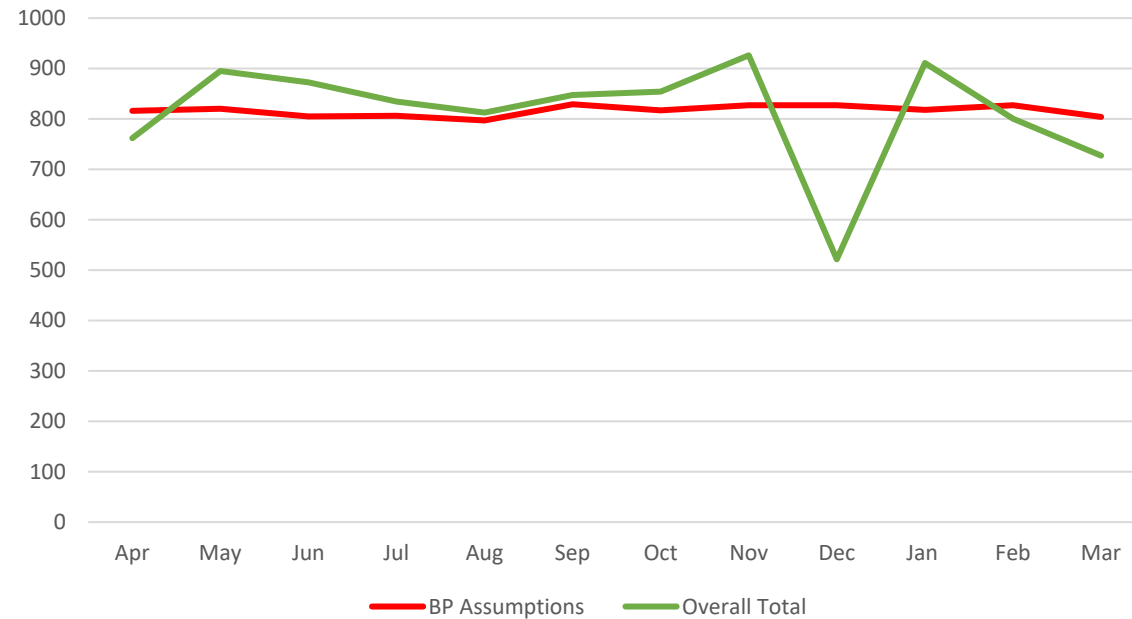
- Operation teams will begin 23/24 with a full quota of staff thanks to flexible and planned recruitment models.

- Operational teams will continue to drive the reduction of the PAP, increase closures and productivity. Early resolution by way of 'reasonable offer made' and 'guided negotiation' will be supported by a continued commitment to proportionality in the front end.

- Other factors that will support the achievement of Business plan targets are higher then anticipated early proportionality opportunities and the impact of the changes to scheme rules.

What this means for the PAP

Year	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
22/23 BP Assumption	5981	5793	5568	5324	5071	4802	4526	4251	3959	3674	3380	3109
21/22 - Final	4840	4924	5068	5552	5664	5677	5748	5796	5747	5451	6010	5862
22/23	5646	5301	5154	5127	4931	4695	4495	4132	4120	3771	3526	3061
23/24	2899	2604	2331	2097	1885	1637	1383	1057	1136	825	624	497

- **Forecasted PAP shows that LeO will be in front of BP Target for 22/23 as closures exceed core demand.**
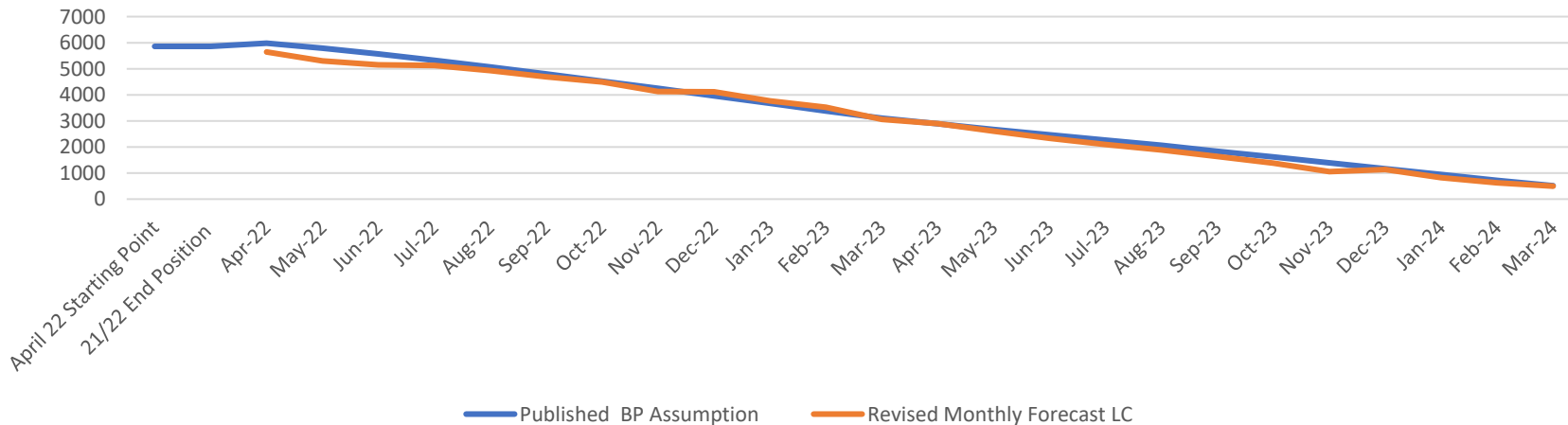
- **Seasonality in Dec 22 will bring performance in line with the BP.**

- **Trajectory shows that LeO will finish year 2 with a working PAP of 497 in line with target.**

Overall PAP Journey

Legend: Published BP Assumption — Revised Monthly Forecast LC

Customer Journey Time

FET are having a positive impact on the overall customer Journey time. Customers within FET experienced a **62% shorter journey time** than the average for low complexity cases in August. For new customer helped within our FET, average customer journey time for those who didn't need a full investigation was 140 days.

For all cases resolved, including those resolved by FET, the overall customer journey time for all complexities, including Low Medium and High, reduced to 274 days which is 15% below our lowest CJT measure of 325 days for low complexity cases.

The introduction of FET has enabled investigators to focus on closing the oldest cases within LeO. This approach temporarily inflates the customer journey time for cases that require a full investigation, as customer journey time is measured from the day a case enters the PAP to the time it is closed. Total time is made up of the wait time in the PAP and investigation time.

This has resulted in an increase in low (10%) and medium (9%) CJT's for cases requiring a full investigation. Our highest complexity cases have seen an 8.6% decrease, it is worth noting that there now only remains 33 cases of this type in the PAP. These variances in CJT are expected as we work through an aged backlog.

Drivers for Performance

Drivers for Performance - for our People

Attrition & Recruitment – The aim is to reduce attrition rates and robust planning on recruitment campaigns from a monthly review of the assumptions.

National recruitment TMP - New approach for recruitment that started in Nov2021 and successful candidates in place for March 2022. This has ensured the Operational team are at the required FTE number for the beginning of 22/23. Strategy developed further and successfully recruited into the Cardiff hub in July 22

Onboarding - Focused support on new starters on closures to assist in growing the cohorts experience to an established status. This process is in its infancy but there is early signs from the July and September cohorts that this is working as closure rates for this cohort are above the expected performance.

Long term sickness – focus on this area with stronger HR policies to manage absences more effectively. Good support from HR on other areas like mental health to support LeO employees who are experiencing difficulties.

Performance Variation - Continued management support to new starters and underperformers.

**Drivers for Performance - New ways of working**

Early Closures - looking at opportunities in the PAP to identify cases where ROM guided negotiation and Nudge theory applied result in swifter outcomes for customers.

People - increased concentration on performance variation amongst investigators and BAU productivity aligned to people plan and newly introduced improved policies

PAP Proportionality - Dedicated resource to identify opportunities in the backlog of cases that will have no outcome or no remedy

Early Proportionality - Dedicated resource identifies the most appropriate routeway for the resolution of new cases. That might be, Reasonable Offer Made, Guided Negotiation, closed firm action or into full investigation. At the end of August, 864 new cases had been identified for potential early resolution.

Investigative efficiency measures - Some of these measures include: Time savings from changes to Quality and Feedback form, Time savings from scope call planning at assessment and Engagement with our people to review working processes.
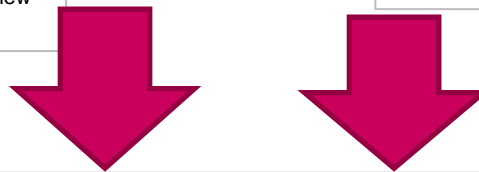
Pipeline Initiatives
Hub Strategy
Outsourcing
Further review of Scheme rules

LEGAL OMBUDSMAN

FET Update

Since 1 April 2022 initiatives at the front end of the business have closed 2,173 cases, 154% of expected outputs at 1,413. This including 274 cases through nudge theory communications, and 1,899 through early interventions of Guided Negotiation, Reasonable Offer Made, or other Chapter 5 reasons.

Over the period, 22.7% of these resolutions arise from cases which have been waiting in our Pre-Assessment Pool for many months, and in some cases over a year. For each of these customers they have received their resolution earlier than the remaining time it would have taken to have their case allocated to an Investigator to begin a full investigation. For those remaining in the Pre-Assessment Pool because their cases require investigation, their wait time has been reduced as cases ahead of them are resolved.

The remaining 77.3% of resolutions arise from cases identified as suitable for early resolution as they are received by LeO. These cases are allocated to attempt resolution within a few weeks of their case joining the Early Proportionality section of the Pre-Assessment Pool. The business process changed in January 2022 to review cases as they are received, benefiting those customers with early interventions from that point and ensuring that only those needing an investigation need to wait for an investigator.

To support the higher level of opportunities identified for the Front End Team we have introduced more flexibility within our Ombudsmen meaning that we can be more agile when the demand for Front End Team decisions outstrip demand for decisions from our Investigators in Business as Usual. This has allowed us to resolve matters quicker and therefore shorten the customer journey more.

By the end of March 2023, the team will have found and started all identified opportunities in the Pre-Assessment Pool, leaving those new cases coming in as the sole focus into 2023/24.

Reallocations

Our reallocated customers arise as a result of attrition, LTS, promotion and when we flexibly move resource when we need to make improvements. In 2022 the latter was unprecedented as we introduced FET and we are seeing the benefits of it in the number of customers we are helping a month. Every reallocation means an investigator cannot start a new case from the PAP.

Since January 2022 **447** customers have been reallocated. As we approached QTR 2 it was identified that we had reallocated **247** cases since 1 June. At its peak, the reallocations register was circa **200** customers with a 4 month wait for a new investigator. With intense operational focus we have reduced volume and wait times to **58** customer and 7 weeks. This operational focus has balanced the need to reallocate and take new cases into investigator workloads and a achieved a reduction in both the number of reallocations and the PAP simultaneously.

As a result of this intense focus there has been a full review of the reallocation process carried out and learning implemented to a new process in development. This will further enhance the service these customers receive whilst waiting to be reallocated, paying particular attention to those with reasonable adjustments and prioritisation needs.

LEGAL OMBUDSMAN

Recruitment

Investigator recruitment

We have launched a new investigator recruitment campaign on 5 September 2022. We are building on the successful relationship forged with TMP to again manage this recruitment. This is a national campaign. TMP are managing the advertising and they will be supporting us to complete the interviewing/assessments which will save significant operational leadership time. This recruitment round will deliver new investigators to the business and cover internal attrition as we continue to promote people through the organisation.

TL secondment

We are looking to fill 2 further development opportunities into TL secondment roles. One is for 12 months, and the other is initially for 6 months (with the option to extend for another 6 months). We expect these roles to be in place by 3 October. This gives us much needed leadership resilience to tackle performance variations.

L1 ombudsman recruitment

We are looking to fill 8 L1 roles. We are working with TMP who will support us the advertising. The advert went live w/c 29 August. Assessments will be completed w/c 26 September which we are resourcing internally. We expect all roles to be in place no later than 28th November. L1 are vital in ensuring that we deliver a quality outcome based service.

LEGAL OMBUDSMAN

Robotic Process Automation (RPA)

RPA has now been successfully implemented into BAU within GET. This innovation will deliver the expected savings of over 1fte and delivers a platform for further enhancements to both contact routes for customers into to LeO and our internal triage processes.

We processed all complaint forms sent from the Customer Assessment Tool using RPA from 12 May 2022. Project completed at the end of August.

Reporting data provided from go-live 12 May to 22 June 2022 (From project closure report).

•1888 complaint forms processed by RPA.

•55.59 days or 0.24 of 1 full time GET advisor time saving delivered from 12 May to 22 June 2022 which is made up of savings from automation and process improvements.

•Based upon above time saving, on expected 8,000 submitted complaint forms per year, RPA will deliver 1.04 FTE GET time saving – which is in line with expected benefits from Business case.

As project benefits are being realized, operational discussions are underway to ensure that time saving is being visibly utilised on higher value activities which support reduction of wait times at Pre-Assessment.