

Meeting	OLC Board	Agenda Item No.	4
		Paper No.	114.3
Date of meeting	17 May 2021	Time required	15 minutes

Title	Executive Report
Sponsor	Paul McFadden, Chief Ombudsman
Status	OFFICIAL

Executive summary

The Executive's key focus in has been implementing plans for delivery of the 2021/22 Business Plan. We have established a programme structure to prioritise delivery of key projects, deliverables and activities. Board will note delivery of a number of early priorities and commitments: exceeding our assumptions for case closures in April; launching recruitment for operational staff; meeting our commitment to establish a Stakeholder Challenge and Advisory Group in April; and progressing our plans for stabilising and reducing the pre-assessment pool backlog.

Performance continues to show signs of recovery and Board will note the progress the Chief Operating Officer continues to make in assessing and addressing key priorities and positively engaging our operations teams.

Progress continues to be made on finance, governance and risk with a number of appointments being made to strengthen capacity and capability across these areas. Board will note a number of ways in which we are enhancing our monitoring of governance including on risk and against internal audit recommendations. The strategic risk workshop at this Board meeting will show progress in developing our approach to the management and control of risk including on risk appetite.

We are developing our approach to delivering enhanced public reporting following recent engagement with the LSB. This will focus on the quality of information available on LeO's performance and continuing to build direct relationships with stakeholders. This will include building on the Commonly Agreed Dataset and Board will have noted the new layout of metrics by theme and the inclusion of a narrative in the Dataset provided in April.

On return to the office and future ways of working and continue to engage with our staff on our plans. We are planning on the basis of a gradual and phased re-entry to office working which will involve a limited number of staff returning to work on an agile basis with blended office and home working. This will allow a period for us to test and assess various aspects of a more agile working environment including further work required to

ensure any model implemented is robust and supports effective and efficient delivery of our service.

Service and Quality are a focus of this Board meeting and Board will note the relatively stable position in terms of the nature and range of issues raised in terms of both quality and service. A review of the Quality Framework has been undertaken and will inform the Executive's assessment of our approach to quality as we seek to recruit replacement staff in this team.

Recommendation/action required

OLC is asked to **NOTE** the paper.

Executive Report

Delivery of 2021/22 Business Plan

We continue to implement plans for delivery of the 2021/22 Business Plan and deliver on early priorities and commitments. Recruitment was launched in early April with the aim of delivering our planned intake of operational staff by July. Our Operations Teams exceeded assumptions for case closures in April, the fourth month in a row. And we have started to meet our commitments to enhanced accountability and transparency with the first meeting of the Stakeholder Challenge and Advisory Group held in April with the remit of getting immediate and practical input on our plans for improving our processes and reducing the backlog. We continue to focus on the immediate next steps, most critically progressing our plans for stabilising and reducing the pre-assessment pool backlog which Board will receive an update in from our Operations Managers later in this meeting.

The Executive have approved a project and programme structure to manage the delivery of the Business Plan, setting out clear deliverables and activities over the business year with identified leads and Executive Team sponsors. The first Programme Board will take place on 25th May, ensuring clear accountability for progress to the Executive Team.

Business Plan sessions for all staff were held with the Chief Ombudsman and Chief Operating Officer through April, continuing our commitment to ongoing engagement with staff and to ensuring a clear understanding of the Business Plan priorities and the role to be played by all teams across the organisation.

The planning for 2022/23 has commenced and engagement with LSB on dates and approvals is in train. A high-level milestone plan will be shared with Board in June. As part of this the Executive have met to discuss lessons learned from the 2021/22 Business Planning process and identified a number of ways in which we can seek to improve the process further and ensure alignment with the mid-year review. This will be discussed later in this agenda.

Performance and People

Our performance report outlines the progress our operations teams continue to make in delivering against our case closure assumptions and increasing investigator productivity. For four consecutive months we have exceeded our case closure assumptions with closures remaining at their the highest since November 2019 and pre-pandemic levels.

We will focus later in the agenda on our progressing plans to address the backlog and identify ways to improve our productivity.

Enhanced public reporting

The OLC Chair and the Chief Ombudsman met with the LSB Executive in April to discuss ways in which LeO could best meet the commitment to enhanced public reporting which was referenced in the LSB Board's approval of the 2021/22 Budget and Business Plan. The LSB are seeking more effective and direct sharing of information with stakeholders and building on LeO's recent approach to engagement to ensure greater awareness and understanding of LeO's performance. The commitment to enhanced public reporting will be met through reporting a narrative to the LSB on how this is being achieved.

We envisage this enhanced public reporting being achieved in the following ways:

- Further development to the commonly agreed dataset, building on the new layout of metrics by theme and the inclusion of a narrative and providing this to a wider body of stakeholders.
- Consider how we can better 'push' key performance information to LeO's stakeholders to ensure better awareness and understanding of our performance, including through monthly updates.
- Enhance the data and information published on LeO's performance on the LeO website and assess the accessibility of this. This will build on the commonly agreed dataset.
- Reviewing our KPIs as part of the development of the new Business Plan including further development of the framework we have set out to report on Value for Money.
- Continue to deliver and report on the work and outputs from the Stakeholder Challenge and Advisory Group and demonstrate how these are meeting our commitment to work in different ways.
- Our Mid-Year Review to assess performance and account for delivery of our Business Plan priorities.

Post-Covid planning and future ways of working

As lockdown restrictions continue to ease we are preparing plans for a return to the office and future ways of working. We are working on the basis of a gradual and phased re-entry to office working from 21 June with a limited number of staff returning to work on an agile basis with blended office and home working. This will allow a period for us to test and assess various aspects of this as a future working model including: office capacity and safety; the impact on customer service, performance and delivery; and the policies, procedures and HR changes required to support a more agile working environment. We will also be considering potential opportunities for expanding recruitment horizons and assessing risks to our staff retention and ongoing and future recruitment as different agile working approaches are implemented elsewhere.

Senior leadership and management structure

Establishing senior level resilience in the Executive Team and wider Management Team continues to be a priority with a number of appointments made and further recruitment ongoing. We have recently appointed a new Head of People Strategy and Services who will be a key member of the Executive Team and will be joining on 15 June. Plans for

further Executive Team appointments are being progressed in line with previous updates to Board. We have met with the MOJ Continuous Improvement team for advice to ascertain the support they can provide in reviewing the customer journey and process efficiency including advice on appropriate skills and experience which would best support our improvement plans.

We have also made a number of Management Team appointments including a Risk Manager, who is leading the development of our risk management framework, a Finance Manager to bring further capacity and resilience to the Finance Team and an EDI Manager who will focus initially on development of Equality Priority Objectives. We are interviewing for the role of Performance & Business Intelligence Manager and are progressing plans for appointments to the Service and Quality team to replace the Senior Ombudsman for Service and Quality.

Finance and Financial Control

The external audit commenced on 4th May and the focus of the finance team has been preparing reconciliations and supporting evidence. This has put pressure on the team, but has demonstrated the benefits of doing monthly reconciliations, and the frequency of reporting throughout the year. The audit partner updated ARAC that there has been a much greater state of readiness this year, and a markedly different level of co-operation.

As reported in the finance paper, there is a full year underspend of £86k against the revised budget (subject to any audit adjustments).

The new Finance Manager, a qualified Accountant (FCCA) with a broad range of accounting experience including most recently as Financial Controller, will provide additional capacity and capability as we continue to further strengthen financial management arrangements including implementing the recommendations of the recent Government Internal Audit Agency (GIAA) report.

Governance and Risk Management

Work continue to develop our approach to the management and control of risk. The risk management expertise brought by the Risk Manager, Jon Davies, has been an important step in enhancing capacity and capability in this area.

A full assessment of strategic risks for 2021/22, including risk appetite positions, has been undertaken by the Executive Team. This was shared with ARAC on 6th May ahead of formal consideration by Board later in today's agenda. Establishing and agreeing LeO's risk appetite will be the key focus of that workshop and will underpin future arrangements for providing assurance on the Executives' management and control of risk.

A detailed plan of activities to improve risk management was also shared with ARAC on 6th May. Key priorities in the short-term include the updating of the Risk Management Framework Policy (aligned to the Orange Book / MoJ guidance) as well as supporting information connected to this.

A number of GIAA internal audit reports were presented to the recent ARAC meeting:

- Workforce planning (substantial assurance rating) – only one recommendation (medium priority)
- Case progression part 1 (moderate assurance rating) – three recommendations (2 low and 1 medium priority) Part 2 of this audit which is compliance related is scheduled for this year,
- Financial management (moderate assurance rating) – six recommendations made (4 low and 2 medium priority).
- Revised Corporate Governance (limited assurance rating) – five recommendations (4 medium and 1 high priority) – acknowledgement from GIAA that the findings and recommendations reflected a point in time earlier last year and that progress had been made in the period since. The Executive have initiated scoping of a Governance and Contracts project which will plan for a full review of existing governance arrangements to identify gaps and potential improvements.

The GIAA Annual report and opinion delivered an overall limited assurance rating for the year. This was based on the reports listed above and was clarified by GIAA as their assessment of 2020/21 as a whole rather than the end year position.

A revised approach for monitoring progress against audit actions was also presented to ARAC on 6th May and will form the basis of future reporting of internal audit actions.

Service and Quality

The Quality paper for discussion later in the agenda provides an update on Q3 and 4 performance in service and quality. Board will note a broadly consistent position the these quarters and indeed over the year. Customer satisfaction surveys show that the key factor driving satisfaction with our service is the outcome of the case (90% satisfied for those pleased with the outcome 11% for those dissatisfied). The underpinning data shows that poor communication continues to top the list of areas of dissatisfaction.

The new Service Complaints Adjudicator is in place, taking on the position at a time when escalations to Stage 3 are at the lowest level seen in over 5 years. This position reflects the investment in effective handling of service complaints at Stages 1 & 2 and this is reflected in SCA report being presented by Clair Evans later in the agenda. Complaints about the PAP backlog have reduced primarily due to a number of interventions now in place to manage expectations and update those waiting to access our service, although again communications continues to represent our major failing.

A review of the Quality Framework has been carried out and is currently being assessed. This provides a detailed review of our approach to quality and the level of assurance it provides and will help inform the Executive Team's consideration of how we approach quality moving forward. One of the key points of focus is the need to build and embed a knowledge, learning and development framework to support effective development of new and existing staff.