

Meeting	OLC Board Meeting	Agenda Item No.	7
		Paper No.	138.6
Date of meeting	29 April 2025	Time required	30 Minutes

Title	Integrated Strategic Scorecard Q4 2024/25
Sponsor	Executive Team
Status	OFFICIAL
To be communicated to:	Members and those in attendance

Executive summary	
This paper provides OLC Board with the LeO Integrated Performance Balance Scorecard dashboard for Quarter 4 (Jan - Mar) 2024/25. This report includes a summary of performance against agreed balanced scorecard key indicators, targets and RAG rating against agreed tolerance.	
Recommendation / action required	
Board is asked to review the Strategic Scorecard for Quarter 4 (Jan-Mar)	
Equality Diversity and Inclusion	
EDI implications	Yes
The Strategic Scorecard provides a summary of reporting and performance across LeO, including in relation to LeO's customers and people. It therefore covers a wide range of areas with the potential to impact from an EDI perspective. These are considered routinely across business areas as appropriate.	
Freedom of Information Act 2000 (Fol)	
Paragraph reference	Fol exemption and summary
N/A	N/A

STRATEGIC SCORECARD

Previous Quarter

Narrative

Up arrow indicates improved performance on last quarter, and down arrow indicates worse performance. RAG shows performance against tolerance. Trend line shows performance over the last four quarters.

PEOPLE			
Metric	Quarter Performance	vs Prev Qtr	Trend
Sickness, lost days per head	15.5	↑	
Staff attrition	13.4%	↓	
Staff turnover	14.2%	↓	
Investigator attrition	16.1%	↓	

RESOURCES & GOVERNANCE			
Metric	Quarter Performance	vs Prev Qtr	Trend
Total unit cost	£2,501.97	↓	
Cost per early resolution outcome	£517.05	↓	
Cost per investigation outcome	£1,738.29	↓	
Forecast year end position	-0.7%	→	
Number of strategic risks out of tolerance	2	↓	
% of strategic risks and issues rated critical/high	88.9%	↓	

OPERATIONAL PERFORMANCE & EFFICIENCY			
Metric	Quarter Performance	vs Prev Qtr	Trend
New customer complaints received	2,737	↓	
Complaints resolved	2,112	↑	
Unallocated investigations	3,275	↑	
% of investigations that found poor tier-1 complaints handling	49.0%		
Established investigator productivity	6.6	↑	
% of enquiries received that are premature	51.5%		
% of new customer complaints received that are premature	10.9%		

CUSTOMER EXPERIENCE			
Metric	Quarter Performance	vs Prev Qtr	Trend
Customer journey time - combined	274	↑	
Customer journey time - resolved in 60 days or less	37.0%	↓	
Customer journey time - resolved in 90 days or less	44.7%	↓	
Customer journey time - resolved in 180 days or less	50.3%	↓	
Customer journey time - resolved in 360 days or less	60.5%	↓	
Customer journey time - resolved in 540 days or less	82.5%	↑	
Customer journey time - resolved in 730 days or less	94.2%	↓	
Customer journey time - resolved in more than 730 days	5.8%	↓	
Combined wait times for unallocated investigations	189	↑	
Quality - reasonable outcome - early resolution	96.0%	→	
Quality - reasonable outcome - investigation	56.1%	↓	
Quality - reasonable outcome - ombudsman	96.4%	↓	
Quality - reasonable service - early resolution	96.0%	↑	
Quality - reasonable service - investigation	67.7%	↓	
Quality - reasonable service - ombudsman	95.6%	↑	
CSat complainant: satisfied with outcome, satisfied with service	91%	↓	
CSat complainant: dissatisfied with outcome, satisfied with service	7%	↓	
CSat service provider: satisfied with outcome, satisfied with service	91%	↑	
CSat service provider: dissatisfied with outcome, satisfied with service	21%	↑	
Average time in unallocated investigation queue for cases taken out	319	↑	

Narrative - Quarter four (January - March 2025)

PEOPLE

Overall attrition has increased by 1.4% compared to the end of Q3, but at 13.4% is still well within the 19% target. Investigator attrition also increased during Q4, standing at 16.1% at the end of the quarter (also against a target of 19%). This represents an increase of 2% compared to the end of Q3. The overall turnover rate increased by 1.8% compared to the end of Q3, but at 14.2% it remains well within the 21% target.

Sickness absence levels have decreased slightly, from an average of 15.8 days per employee at the end of Q3 to 15.5 days at the end of Q4. However, this figure remains outside the target of 11 days. Mental health remained the main reason for sickness absence in Q4, although the number of days lost has fallen compared to the end of Q3. Currently there are 8 employees on long-term sick leave; of these, 3 are absent due to mental health issues (including bereavement and other personal reasons), compared to 5 at the end of Q3. The outcomes of the ‘deep-dive’ review into long-term sick leave and recurrent absence cases are currently being considered by HR and LeO’s employment law solicitors to assess additional support/actions and next steps as appropriate.

RESOURCES & GOVERNANCE

At the end of the financial year, the budget variance showed an underspend of £119,615 (-0.7%) which is within the Ministry of Justice's 1% tolerance threshold. The Executive conducted weekly assessments and implemented strategies to ensure the variance remained within tolerance. The total unit cost for Quarter 4 was £2,501.97, a 22.4% increase from Quarter 3, due to expenses related to the Lean Review, AI and Cybersecurity Frameworks, and AI Training. The cost per early resolution outcome rose by 13.5% to £517.05, primarily due to increased overtime for training and contributions to the Lean Review. The cost per investigation outcome slightly increased by 0.9% to £1,738.29. This rise was mitigated by a 3.4% increase in investigated case closures, from 1,067 in Quarter 3 to 1,103 in Quarter 4.

LeO concludes the year with no critical risks or issues identified. However, there has been a notable increase in risks reported as out of tolerance, particularly concerning leadership resilience, which has seen a rise in its scoring and is now classified as out of tolerance. This shift has been influenced by the recent announcement of the Chief Ombudsman's (CO) departure in October, alongside the Head of People Strategy & Services leaving at the end of April. In response to these developments, proactive measures are being implemented to secure an interim CO and a permanent appointment for the Head of People Strategy and Services. Furthermore, due to the successful integration of scheme rules into business operations, this strategic risk has been effectively closed and is now being managed at an operational level. Full details are available in Appendix A.

OPERATIONAL PERFORMANCE & EFFICIENCY

Resolutions finished 2024/25 on a high and increased, resolving 2,112 cases against a likely target of 2,162 completing four consecutive quarters at the higher end of ranges. This was helped by further improvements in productivity, increasing from 6.4 to 6.6 per FTE 10% higher than assumptions. The ongoing increase in productivity reflects efforts to enhance operational efficiency especially in in-depth investigations to meet the growing demand.

2024/25 performance ended at the upper end of ranges at 8270 against a Likely trajectory of 8404 a 4% increase on 2023/24. Core demand decreased in quarter 4 (5.6%) when compared to the same period last year, though annually an 11.6% increase. In depth investigations increased by 4.1% in the same period, with a 19.7% year on year increase. This represented a significant increase from forecasts at half year of 4050 – 4250 and an almost 800 case increase on original 2024/25 business plan assumptions at 3650

Unallocated investigations have reduced by around 3%, 100 cases over 2024/25 despite increased demand continuing to impact’. Quarter 4 is historically the most productive quarter of the year with significantly fewer periods of leave.

Almost half of cases resolved by investigation have poor tier 1 complaint handling a trend that has persisted throughout 2024/25. There is a similar picture for the number of initial contacts being premature at enquiries stage with over 50% not ready for LeO.


CUSTOMER EXPERIENCE

Subject to a small degree of variation, quarter on quarter, performance against our quality and customer satisfaction measures remains consistent and ahead of our expectations. We do, however, continue to see quality standards in our investigator teams falling below acceptable levels against both outcome and service standards. The feedback we receive from our customers and the insights from our quality assurance shows that we still need to focus on improving overall case progression and mitigating the risk of delay, it also shows the importance of ensuring that all of our customers (complainants and service providers alike) have enough information (about alternative options and potential consequences) to make suitably informed decisions on the resolution of cases that do not require Ombudsman decisions.


Overall customer journey time has fallen throughout 2024/25, though more slowly than expected due to increased levels of In-depth investigations demand hampering reductions in unallocated volumes wait times finishing Quarter 4 at 274 days. Additionally the average time for customers waiting to be allocated also dropped to 189 days, with the average time to be allocated dropping to 319 days, both seeing a downward trend across 2024/25.

The percentage of cases resolved within 90 days has dropped over the last 3 quarters as LeO resolves more in-depth investigations, this does however represent around 100 more cases being resolved in 90 days in 2024/25 as LeO increased its annual output. This is coupled with a decrease in the percentage of cases taking more than 540 days.


Strategic issues and risks

Description	Risk Appetite	Q3 Risk Score	Q4 Risk Score	Tolerable Position	Trend	Controls and actions	Expected Completion Date	Q4 update	Strategic Objective (service Impact)
Issues									
SI.01 Unacceptable queue of cases	Eager	16	16	Within tolerance		<p>Controls</p> <ul style="list-style-type: none">PAP reduction activitiesSupport to operational delivery provided by Team Leaders to investigators regarding performance and behaviors. Team Leaders to adopt risk based 121's / Side By Side's approach to ensure that the investment of Team Leaders time is proportionate to individual performance.Policy Framework <p>Actions</p> <p>Key Risk indicators have been established via the control review, which will involve the below -</p> <ul style="list-style-type: none">Current ADS indicators.Change Advisory Board (CAB) Bulk QueueInduction %Hand to Grad Bay %Established Competency %Support & development %Junior Gade %Substantive %Quality %	Ongoing Ongoing End of Q1 (revised date)	Unallocated investigations have reduced to 3,275 in Quarter 4. Year to date the queue has reduced by around 3%, the rate of reduction significantly impacted by high in-depth investigations demand. New investigators are growing in productivity and will be at full case holding capacity by December 2024, with a further cohort starting in March. Increased demand beyond half year reforecasts have meant that the volume of unallocated investigations are 275 cases beyond the 3000 cases previously predicted in 2025/26 forecasts. LeO's "invest to save" budget will see a 20,7FTE increase in investigators which will support reduction in the coming year.	Service

Strategic issues and risks

Description	Risk Appetite	Q3 Risk Score	Q4 Risk Score	Tolerable Position	Trend	Controls and actions	Expected Completion Date	Q4 update	Strategic Objective (service Impact)
Issues									
SI.02 Absorb demand Volatility	Open	16	16	Outside tolerance		<u>Actions</u> <ul style="list-style-type: none"> Continued/ongoing monitoring of reduction in demand for service. Developing more strategic and effective engagement with regulators and the legal sector more widely, sharing LeO's insights to help prevent complaints at source. Operational-level relationship management to support this engagement, helping drive better first tier complaint handling and reduce demand for LeO. New suite of reporting currently in design/being compiled to act as early warning alert system . Further work on understanding Jurisdiction challenge volumes that are contributing to accepted case % as well as having increased resource impact. Developing Support and Development programme to enhance performance and reduce size of investigations, to reduce customer journey and create capacity for new investigations to start. Control creation linked to strategic risk Failure to deliver new impact objective 	Ongoing End of Q1 25/26 Ongoing End Q2 25/26 Completed End of April 25/26 and ongoing End of Q1 25/26	Demand for in-depth investigations – those affecting the volume of unallocated investigations – increased by over 4% when compared with the same period last year, continuing the longer-term annual trend of an almost 20% increase in demand for LeO's most complex cases. It is important to note that during Q4 2023/24, LeO experienced increased core demand volumes as we started to work through front end backlogs created by scheme rule time limit changes implementation. This means quarter on quarter comparisons are against a higher figure. Core demand annually – the volume of complaints that need and early resolution or in-depth investigation –increased by 11.6%% in this period At the end of Quarter 2 forecast In-depth demand trajectories for the remainder of 2024/25 were revised to 4050 – 4250 cases from an original forecast of 3450. Both Quarter 4 and annual demand levels have exceeded these revised ranges with LeO receiving more than 4400 in depth investigations for 2024/25.	Service


Strategic issues and risks

Description	Risk Appetite	Q3 Risk Score	Q4 Risk Score	Tolerable Position	Trend	Controls and actions	Expected Completion Date	Q4 update	Strategic Objective (service Impact)
Risks									
SR.01 Failure to meet business plan improvements in customer experience	Eager	16	16	Within tolerance		<p>Controls</p> <ul style="list-style-type: none">PAP reduction activitiesSupport to operational delivery provided by Team Leaders to investigators regarding performance and behaviors. Team Leaders to adopt risk based 121's / Side By Side's approach to ensure that the investment of Team Leaders time is proportionate to individual performance.Policy Framework <p>Actions</p> <p>Key Risk indicators have been established via the control review, which will involve the below -</p> <ul style="list-style-type: none">Current ADS indicators.Change Advisory Board (CAB) Bulk QueueInduction %Hand to Grad Bay %Established Competency %Support & development %Junior Gade %Substantive %Quality %	Ongoing Ongoing End of Q1 (revised)	Unallocated investigations have reduced to 3,275 in Quarter 4. Year to date the queue has reduced by around 3%, the rate of reduction significantly impacted by high in-depth investigations demand. New investigators are growing in productivity and will be at full case holding capacity by December 2024, with a further cohort starting in March. Increased demand beyond half year reforecasts have meant that the volume of unallocated investigations are 275 cases beyond the 3000 cases previously predicted in 2025/26 forecasts. LeO's "invest to save" budget will see a 20,7FTE increase in investigators which will support reduction in the coming year.	Service


Strategic issues and risks

Description	Risk Appetite	Q3 Risk Score	Q4 Risk Score	Tolerable Position	Trend	Controls and actions	Expected Completion Date	Q4 update	Strategic Objective (service Impact)
Risks									
SR.02 Leadership resilience	Cautious	8	16	Outside tolerance	↑	Actions <ul style="list-style-type: none"> • Clear communication around Executive or Management Team movements and succession planning • Enhancing effective succession planning including as part of future people strategy. • Support for Executive Team and individual resilience and development • Control creation – Skills matrix to provide resource data across LeO departments. To be completed by the Enterprise Risk manager. 	Ongoing End of Q1 25/26	Upcoming changes to the Executive Team announced in Q4—the planned departure of the Chief Ombudsman and Head of People Strategy & Services. Have increased the residual score from 8 to 16 recognising the significantly increased likelihood of the risk materialising. Proactive planning is underway to ensure a smooth transition to these two roles with the OLC chair leading recruitment for interim Chief Ombudsman. Wider executive resilience planning will also be discussed by the OLC board and Chief Ombudsman in Q1. These efforts aim to maintain leadership continuity, manage transition and uphold the organisation's overall resilience.	Service


Strategic issues and risks

Description	Risk Appetite	Q3 Risk Score	Q4 Risk Score	Tolerable Position	Trend	Controls and actions	Expected Completion Date	Q4 update	Strategic Objective (service Impact)
Risks									
SR.03 Budget Variance Against Forecast	Minimal	4	4	Within tolerance		<u>Controls</u> <ul style="list-style-type: none"> Monthly Financial Budget Reviews <u>Actions</u> <ul style="list-style-type: none"> Link controls from Business Unit Risk Potential More Key Risk indicators following linkage of Business Unit Risks 	Ongoing End of Q4 End of Q4	Using a collaborative approach to monitor and manage the budget with the Finance team regularly updating the forecast with the input from budget holders and the Executive. This was then supported by holding monthly Financial review meetings with budget holders to understand the variances and get further updates. Executive financial review meetings were held following the meetings with budget holders to consider mitigating actions to ensure the out-turn forecast remained within the tolerance level. The budget variance at year end was -£119,615 which is an underspend of 0.67% on the 2024/25 budget.	Service


Strategic issues and risks

Description	Risk Appetite	Q3 Risk Score	Q4 Risk Score	Tolerable Position	Trend	Controls and actions	Expected Completion Date	Q4 update	Strategic Objective (service Impact)
Issues									
SR.05 GPA Birmingham Hub	Cautious	12	12	Outside tolerance		<div> <div>Actions</div> <div>Continue work and engagement with GPA to progress LeOs office space allocation in GPA Hub 3.</div> <div>Steering committee meetings – updates and decision making</div> </div>	<div>Ongoing</div> <div>Monthly</div>	Ongoing discussions with GPA remain in the diary and will continue into 25/26. GPA have confirmed they have received approval to progress the Birmingham 3 Hub project to deliver an Outline Business Case. However, LeO have been advised the hub is oversubscribed and further work and discussions on how this will be managed, alongside any potential impact on LeO will continue into 2025/26.	Service

Strategic issues and risks

Description	Risk Appetite	Q3 Risk Score	Q4 Risk Score	Tolerable Position	Trend	Controls and actions	Expected Completion Date	Q4 update	Strategic Objective (service Impact)
Risks									
SR.06 Failure to deliver new impact objective	Open	12	12	Within tolerance		<u>Actions</u> <ul style="list-style-type: none">Monthly reviews of control creationControl creation - Regular discussions with operations teams anticipate resourcing needs to support this objective and Strategic oversight of delivery of commitments under this objective.	End of Q1 End of Q1 (revised date)	We have held our first two regulator workshops (in February and March 2025) to build support and consensus for work to deliver improved complaints handling. Work is underway to develop a model complaints handling procedure to complement this. We are developing our externally-facing insight content: the first in a new series of 'Spotlight' insight articles was published in March 2025. Recruitment for insight & engagement officer roles was also completed in March, as was procurement for our new learning platform. A framework for continuing to build our insight capability in 2025/26 (around an insight 'lifecycle') was presented to the OLC Board in February 2025.	Service

Strategic issues and risks

Description	Risk Appetite	Q3 Risk Score	Q4 Risk Score	Tolerable Position	Trend	Controls and actions	Expected Completion Date	Q3 update	Strategic Objective (service Impact)
Risks									
SR.07 Staff Attrition – Corporate and Operations roles (other than investigators)	Open	12	12	Within tolerance		<u>Controls</u> <ul style="list-style-type: none"> HR portal Recruitment and onboarding. End to end review of staff recruitment <u>Actions</u> <p>During Q3 the following Key Risk indicators have been established via the control review and which will involve the below -</p> <ul style="list-style-type: none"> Current ADS indicators. Review of HR portal Annual online mandatory learning statistics. 	Ongoing Ongoing End of Q4 (Revised Q1)	Overall staff attrition in Q4 has seen an increase of 1.4% compared to the end of Q3 figure (12% in December). Having fallen by 1.1% to 10.9% in January, it has increased over the remainder of the quarter and now stands at 13.4%, against a target of 19%.	Service

Strategic issues and risks

Description	Risk Appetite	Q3 Risk Score	Q4 Risk Score	Tolerable Position	Trend	Controls and actions	Expected Completion Date	Q4 update	Strategic Objective (service Impact)
Risks									
SR.08 Staff attrition – BAU investigators	Open	12	12	Within tolerance	↔	<u>Controls</u> <ul style="list-style-type: none"> HR portal Recruitment and onboarding. End to end review of staff recruitment <u>Actions</u> <p>During Q3 the following Key Risk indicators have been established via the control review and which will involve the below -</p> <ul style="list-style-type: none"> Current ADS indicators. Review of HR portal Annual online mandatory learning statistics. 	Ongoing Ongoing End of Q1 (revised)	Investigator attrition has also increased over the quarter, rising by 2% compared to the end of Q3 figure (14.1% in December). Having fallen by 1.4% to 12.7% in January, it increased over the remainder of the quarter and now stands at 16.1%, against a target of 19%.	Service