

LEGAL
OMBUDSMAN

Business Plan
2019 - 20



Foreword from the Chair of the Office for Legal Complaints

I am pleased to present the Office for Legal Complaints' (OLC) business plan and budget for 2019-20, the third and final year of our 2017-20 strategy. On behalf of the OLC, thank you to those who responded to our earlier consultation.

We are operating in a rapidly changing operating environment – short and long-term factors will impact legal services, regulatory frameworks and the operating environment for public bodies. Our Claims Management work has now transferred successfully to the Financial Ombudsman Service. CMC work has been a great success, and I would like to thank our staff and CMC stakeholders for their contribution to this.

Our strategy sought to deliver an improvement in the effectiveness and efficiency of our complaints handling through an ambitious modernisation programme. Our strategic objectives also focused on improving our understanding of the external environment, to feed back more effectively and improve standards of first tier complaint handling.

LeO has made significant progress with its modernisation programme in 2018-19. We will close the programme in April 2019 having successfully implemented our business process, staffing model, IT, telephony, case management system, and estate rationalisation. We now have an infrastructure that can facilitate more flexible, innovative and sustainable operational delivery models. The OLC Board is extremely grateful to all of our staff for their hard work and support for modernisation. Developing and testing these new ways of working will be our central focus in 2019-20.

The foundations for sustainable future performance are in place. Although performance against our new KPIs has improved during 2018-19, it remains mixed; in 2019-20 we must achieve consistent and sustainable performance.

The success of our modernisation programme has enabled us to further streamline our management structure by implementing a recommendation of the MoJ's Tailored Review to combine the Chief Executive and Chief Ombudsman roles a year earlier than planned. Under the leadership of Rebecca Marsh, our new management team is increasing the rigour of our processes, enhancing support for staff to build capability, enhancing stakeholder engagement and horizon scanning, and increasing our focus on performance.

The primary theme of the 2019-20 business plan will be the quality of our work, alongside an ongoing focus on case progression, to address key strategic challenges:

- building and maintaining trust and confidence by delivering - and sustaining - good performance; and
- remaining relevant and maximising our impact in a fast changing environment.

We have developed our plan around two outcomes and six objectives, which reflect the priorities set out in our business plan consultation. Responses to the consultation supported these priorities to address our two key strategic challenges and are relevant to LeO's position in the wider landscape. We look forward to working with stakeholders and our staff to realise the benefits of the current strategy and develop our new strategy.

Wanda Goldwag, Chair, Office for Legal Complaints

Welcome from the Chief Ombudsman

The last year was an exciting one in which to begin my tenure as Chief Ombudsman. We have achieved a great deal as an organisation, with much more to do over the coming year. This business plan and budget is my first as Chief Ombudsman and Chief Executive of the Legal Ombudsman.

Combining the roles of Chief Ombudsman and Chief Executive was one of the recommendations of the Ministry of Justice's 2017 Tailored Review. It is an indicator of the progress we have made over the last two years that we are able to implement this recommendation ahead of schedule.

We accomplished a great many of our objectives in our previous business plan, but changes in the external environment and the level of resource proved challenging for delivery.

Now we have the right infrastructure, process and complete transparency and oversight of our customers' journey through our service. We are clear about the impacts of the external environment and include in this plan work to refine our forecasting ability and understand the changing needs of our future customers.

We are well placed to both drive continuous improvement, giving a sustainable and consistent level of performance and to look at alternative delivery models that will mean we can deliver effectively for the future. Mediation, geographically dispersed work and partnering for delivery are all options we will be looking at over the coming year.

The roll-out of our quality and feedback model across the business, alongside the significant work we have done to improve access and support at the beginning of our process should see the step change in quality of the customer experience.

All of this will take time to show in our performance. Our business plan focuses entirely on the things that matter to the public, our customers, stakeholders and staff. Primarily, that is a quality service, where we listen to people and respond with empathy; we provide fair and reasonable outcomes for everyone, as early as possible; and we share evidence based insight to support the sector and access to justice for all.

Rebecca Marsh, Chief Ombudsman

About the Legal Ombudsman

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

The Legal Ombudsman helps to resolve issues between complainants and regulated legal service providers in England and Wales. We protect and promote the public interest by investigating issues in dispute impartially and fairly when service providers have been unable to resolve the complaint. We have statutory powers that allow us, when necessary, to enforce remedies we order on behalf of complainants.

We accept complaints about all areas of law and in a typical year, we receive between 7,000 and 7,500 cases, and just under 100,000 enquiries. Our role is to seek to resolve informally where possible.

We know that people often come to us at particularly challenging times in their lives. People do not always understand whether the service they have received is what they should expect and it is equally important for us to provide reassurance when things are right as redress when they are not. We recognise that for service providers, a complaint to LeO can be unsettling or stressful, and both sides are generally looking for timely closure and a fair outcome. Both reassurance and redress improve trust and confidence and support access to justice.

Through our knowledge and insights from the cases we see, we also provide feedback that helps service providers improve their complaint handling and informs consumers about the service they should expect.

We aim to be open and transparent. We publish data about the complaints we consider, the decisions we make, and our performance.

In our 2018-19 business plan we are open about the challenges that we face to ensure that our performance meets the high standards we set for ourselves. Our plans for 2019-20 will build trust and confidence that the Legal Ombudsman is a well-run, effective organisation with great people and modern ways of working.

Vision, mission and objectives

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

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. We make best use of our resources and command confidence as a well-run public body.

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

**Strategic objective 2:
Understand the legal
service environment, 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**

Progress against our 2018-19 annual priorities

Deliver sustainable improvement in performance

Performance is improving but remains a work in progress, with more work to be done in terms of throughput and timeliness, particularly the speed of initial assessment. All of the legacy cases from 2017-18 are closed or with an investigator.

In the light of variability in performance there is a significant internal focus on developing a high performance culture and driving an absolute focus on quality in 2019-20.

Improve data quality, analysis and feedback to the professions

Our new system improves our data analysis, feedback and performance management. We now have complete visibility of our process from end to end.

Continued use of the old CMS until December 2018 affected our ability to share reliable insight. Now we work exclusively on new CMS as the volume of data builds, we will have better and more timely insights to share.

Feedback plan consistently delivered. A more targeted approach is in place through a new communications and engagement strategy and horizon scanning.

Improve quality of service by implementing an internal quality and feedback model

We have seen positive improvements from a number of teams piloting a new ombudsman-led quality and feedback model to support quality and case progression. We have evaluated this model and will roll out an adapted quality and feedback model during 2019-20.

Our new Operations Support hub is co-ordinating quality reviews, customer satisfaction surveys, service complaints and legal challenge to inform continuous improvement and prioritisation.

Start to digitise our service and improve cyber and data security

We have developed and rolled out a new Customer Assessment Tool and web complaint form which is already showing positive benefits.

We carried out a self-assessment against the NAO's cyber security checklist, are implementing an action plan, and have undertaken an Information Commissioner's Office voluntary audit.

These activities create a good foundation to make better use of digital solutions in our service.

Business Plan on a Page

Outcome	Objectives	Key deliverables	Priority KPIs	Strategic risks
Enhance trust and confidence in LeO by sustaining performance and quality	Improve quality of casework and sustainable case progression	<ol style="list-style-type: none"> 1. Develop and implement quality and feedback model 2. Remain within tolerance against delivery plan, including reduced wait times for assessment 3. Implement new quality management framework 	<ol style="list-style-type: none"> 1. Delivery plan progress (including assessment) 2. Timeliness of case resolution 3. Customer satisfaction 4. Quality - % service complaints upheld 5. Staff engagement index 	<ol style="list-style-type: none"> 1. Trust and confidence 2. Making a wider impact 3. Demand 4. Insufficient operational resources 5. Organisational capacity and capability
	Develop casework capability	<ol style="list-style-type: none"> 4. Roll out Ombudsman development programme 5. Develop operational leadership skills 		
	Improve redress through better and more inclusive service	<ol style="list-style-type: none"> 6. Scope benefits of mediation and other agreed outcome techniques 7. Implement ICS action plan 8. Progress Scheme Rules review 		
Maximise our impact through feedback and engagement	Improve customer service and first tier complaints handling by sharing insights and information	<ol style="list-style-type: none"> 9. Publish regular summary of casework trends, including specific briefing for Wales 10. Deliver within tolerance against communications, engagement and feedback plan 		
	Increase access to our data and progress our transparency agenda	<ol style="list-style-type: none"> 11. Share data with regulators/Legal Choices and continue close work with SRA on implications of handbook changes 12. Complete scoping project for publishing full Ombudsman decisions 13. Deliver new website 		
	Enhance relationships and engagement with key stakeholders	<ol style="list-style-type: none"> 14. Engage stakeholders in development of new OLC strategy 		
Enabled by	<div style="display: flex; justify-content: space-around; text-align: center;"> <div style="border: 1px solid black; border-radius: 10px; padding: 5px; background-color: #4a86e8; color: white;">Scope innovative delivery model pilots</div> <div style="border: 1px solid black; border-radius: 10px; padding: 5px; background-color: #4a86e8; color: white;">Enhanced forecasting model</div> <div style="border: 1px solid black; border-radius: 10px; padding: 5px; background-color: #4a86e8; color: white;">AI/digital projects</div> <div style="border: 1px solid black; border-radius: 10px; padding: 5px; background-color: #4a86e8; color: white;">Improved security and business continuity</div> <div style="border: 1px solid black; border-radius: 10px; padding: 5px; background-color: #4a86e8; color: white;">Better records and information management</div> <div style="border: 1px solid black; border-radius: 10px; padding: 5px; background-color: #4a86e8; color: white;">Recruitment, retention & development</div> </div>			
Underpinned by our Equality Priority Objectives	<ol style="list-style-type: none"> 1. to embed our inclusive service strategy, informed by our Equality, Diversity and Inclusion data; 2. to raise staff awareness of issues for LGBT+ people and people with disabilities, to build a more inclusive service and organisation; 3. to deliver our action plan to recognise and nurture Black and Minority Ethnic (BAME) talent within the organisation. 			

2019-20 Outcome 1– Enhance trust and confidence in LeO by sustaining performance and quality

Objective	Key Deliverables	Timescale
Improved quality of casework and sustainable case progression	<i>Develop and implement quality and feedback model</i>	Q1 – design Q2-Q3 – implementation Q2 and 4 – monitor/evaluate
	<i>Remain within tolerances against delivery plan, including reduced wait times for assessment</i>	Q1-4
	<i>Implement new quality management framework</i>	Q1 – design; Q2 – testing/reporting; Q3 - implement
Develop casework capability	<i>Roll-out Ombudsman development programme</i>	Q1 – scoping; Q2-Q3 – design and development; Q4 – implementation
	<i>Develop operational leadership skills to support high performance culture</i>	Q1 – scoping; Q2-Q3 – design and development; Q4 – implementation
Improved redress through a better and more inclusive service	<i>Scope benefits of mediation and other techniques to achieve agreed outcomes</i>	Q1 - OLC Board workshop Q1 – research and review Q1 – options paper
	<i>Implement Insitute of Customer Service action plan</i>	Q1 – agree plan; Q1–Q4 – implementation; Q4 – review/repeat ICS benchmarking
	<i>Progress the actions from the 2018-19 Scheme Rules review</i>	Q1-Q4

2019-20 Outcome 2: Maximise our impact through feedback and engagement

Outcome	Key deliverables	Timescale
Improve customer service and first tier complaints handling by sharing insights and information	<i>Publish regular summary of casework trends, including specific briefing for Wales</i>	Q1 – scope and agree process Q2 – commence publication
	<i>Deliver within tolerance against communications, engagement and feedback plan</i>	Q1-4
Increased access to our data and progress our future transparency work	<i>Share data with regulators/Legal Choices and SRA</i>	Q2 – commence sharing of insights
	<i>Complete scoping project for publishing full Ombudsman decisions</i>	Q2 – consultation starts
	<i>Deliver new website</i>	<i>New site developed and launched by end of Q4</i>
Enhance relationships and engagement with key stakeholders	<i>Engage stakeholders in development of new OLC strategy</i>	Q3 – consultation and engagement Q4 - final strategy approval
	<i>Continue close work with SRA on implications of handbook changes</i>	Ongoing throughout 2019-20

2019-20 Enabling Strand to support the delivery of LeO's Priorities

There are a number of activities planned for 2019-20 that will support one or more of our 2019-20 priorities. These are about extending the good work done through the Modernising LeO programme to enhance the solid foundations to enable a high performance culture. The following activities will form this enabling strand:

High-level deliverable	Timescale
<i>Scope and, where appropriate, pilot innovative delivery models</i>	<i>Q1-Q3 scoping</i>
<i>Enhanced operational forecasting model</i>	<i>Q2 – review, Q3-4 implement changes and test</i>
<i>AI/digital projects</i>	<i>Q1 – scoping and EQIA, Q2-4 – project delivery</i>
<i>Improved security and business continuity</i>	<i>Q3 – use your own device in place, Q4 – improved anti-phishing solution/email encryption</i>
<i>Better records and information management</i>	<i>Q1-4 – policy, processes, system changes and staff training</i>
<i>Effective recruitment, retention and development</i>	<i>Q1 – CIPHR onboarding module, Q2 – review current arrangements for reward and recognition</i>
2019-20 Equality Priority Objectives	Timescale
<i>Embed our inclusive service strategy, informed by our Equality, Diversity and Inclusion data</i>	<i>Q1-2 review effectiveness of existing provision, Q3-4 implement improvements identified</i>
<i>Raise staff awareness of issues for LGBT+ people and people with disabilities, to build a more inclusive service and organisation</i>	<i>Q1-4, in Q3 demonstrate improved staff survey results on equality, diversity and inclusion</i>
<i>Deliver our action plan to recognise and nurture Black and Minority Ethnic (BAME) talent within the organisation</i>	<i>Implement RACE action plan by end Q4</i>

Responding to what our staff have told us to build a high performing organisation

We engaged our staff in developing our earlier consultation document through specific team exercises, supplemented by feedback from staff survey results.

Staff costs are 80% of our budget, so their engagement in delivering our business plan priorities is critical to achieving the levels of service and performance that we require.

Our staff have told us that they enjoy the work they do and are proud of the independent service we provide. They value LeO's employee deal, in particular the new flexible working offer.

We acknowledge that it has been a challenging year for our staff because of the volume of change and focus on developing a high performance culture.

To stabilise our operational performance we will maintain our focus on achieving more consistent productivity and quality. We will need to help our people deliver consistently against targets, develop their skills and capability, and demonstrate LeO's values and behaviours.

We will do this through our learning and development offer and programme. We will apply the lessons of the pilots we have run in 2018-19 to achieve more robust and consistent processes. We will support all of this with leadership development and staff engagement.

High-level 2019-20 budget

The table below provides a historical perspective on the OLC's budgets, and our revenue and capital budgets for 2019-20. Our budgets need to be approved both by the Ministry of Justice and Legal Services Board (LSB). Excluding bad debt expenses, staff costs account for over three quarters of our costs, which are recovered from providers through a levy administered by the LSB.

	2012-13 actual	2013-14 actual	2014-15 actual	2015-16 actual	2016-17 actual	2017-18 actual	2018-19 forecast *	2019-20 budget *
Legal Expenditure	£16.7m	£15.8m	£12.8m	£11.6m	£10.4m	£10.94m	£12.0m	£12.34m
Legal cases resolved	7,360	8,055	7,440	6,416	6,736	6,125	6,300	7,280
	2012-13 actual	2013-14 actual	2014-15 actual	2015-16 actual	2016-17 actual	2017-18 budget	2018-19 forecast *	2019-20 indicative *
CMC – core costs	-	-	£0.8m	£2.1m	£1.8m	£3.0m	£1.5m	£0.0m
CMC cases resolved			NA	1,740	2,636	3,400	1,750	NA
TOTAL OLC budget	£16.7m	£15.8m	£13.7m	£13.7m	£13.6m	£14.85m	£14.0m	£12.34m

* 2018-19 and 2019-20 figures are net of estates costs/income from sub-letting 25% of our office to another public body from 1 April 2018.

Our capital budget, which is funded directly by Government and recovered through depreciation charges included in our revenue budgets, is set out below. This covers investments in our IT and digital infrastructure, particularly information and communications technology and digital. The 2019-20 capital budget is 50% lower than the £0.5m capital budget for 2019-20 anticipated in last year's business plan. This reflects the scale and positive impact of the IT changes we have already introduced and new, more agile ways of delivering projects which rely less on capital funding.

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

* Of the 2018-19 capital budget of £250k, £87k was returned to the MoJ due to changes in timing of CMS enhancements, meaning a forecast outturn of £0.163m.

2019-20 budget

Our total budgeted revenue expenditure for 2019-20 is £12.34m, with a capital budget of £0.25m. The legal budget includes all overheads, following transfer of the CMC jurisdiction to FOS on 1 April 2019. The budget absorbs the additional one-off resource provided in 2018-19 to work through legacy cases from 2017-18.

Our forecast unit cost for 2019-20 is higher than budgeted unit cost for 2018-19. However, we anticipate actual unit costs in 2018-19 being above target due to a lower volume of closures than planned. This has been affected by the move to the new business process, staff turnover, the high proportion of staff new in role, and changes in process to reflect the focus on quality. We are also planning to start 2019-20 with staffing slightly above our establishment to mitigate the impact of staff turnover.

We continue to identify ways to reduce overheads, particularly as the CMC jurisdiction will no longer be contributing in 2019-20, including:

- significant estate savings by sharing our office space with another public body;
- reducing the IT budget by 21% (£0.3m) following modernisation;
- lower cost delivery models for research, IT projects, learning and development, recruitment and reducing our travel costs; and
- further reductions in management costs as a result of combining the Chief Executive and Chief Ombudsman roles.

In order to build on the success of our recent IT development work further funding will be essential, and will allow us to digitise our offering and continue to improve our customer service. Capital expenditure of £0.25m in 2019-20 will cover:

- developing a new website platform to enable digital services;
- enhancements to our CMS system delayed by a mandatory Microsoft upgrade; and
- ongoing investment in maintaining our infrastructure and refreshing staff computers.

We have constructed this budget and business plan on the assumptions that:

- we will resolve between 6,800 and 7,400 cases – our central forecast is 7,280;
- we estimate core “demand” for our legal jurisdiction in the range of 7,000 cases to 7,400 cases accepted for investigation, with a central assumption of 7,200; we assume 10% high complexity (720 cases), 45% medium (3,240 cases) and 45% low (3,240 cases); and
- external policy drivers may impact estimated volumes, such as recent regulatory changes introduced by the SRA (signposting and unregulated providers), and implementation of new business processes which are still bedding in; staff turnover and levels of experience also materially impact assumptions about throughput.

Unit cost

We have a KPI on the overall unit cost for our work. Some stakeholders focused on this in their consultation responses. Overall unit cost is an imperfect measure which combines a number of elements of both cost and activity. It includes the costs of dealing with over 90,000 enquiries each year, of which around 7,000 become actual cases in terms of unit cost performance. It also reflects the costs of feeding back to the profession in line with our second regulatory objective and also corporate overheads which support front-line delivery but have only a loose relationship with activity levels.

Unit cost is also influenced by case mix and the proportion of cases that resolve informally or require a final ombudsman decision, as well as person-specific factors which may require extra time to tailor our service for vulnerable people. The proposed budget delivers an overall unit cost in 2019-20 of £1,695 (net of estates costs and income).

Legal jurisdiction	'13-14	'14-15	'15-16	'16-17	'17-18	'18-19 (forecast)*	'19-20 (budget)*
Cases resolved	8,055	7,440	6,416	6,736	6,125	6,300	7,280
Average unit cost (£)	1,950	1,716	1,813	1,552	1,787	1,873	1,695

* Net of estates expenses/income for space released to another public body from 1 April 2018. The 2019-20 figures include inflation.

The table below sets out an analysis of the elements of our costs and activity levels:

Element	Cost (£k)	Number	Unit cost
Handling enquiries to our General Enquiries Team	763	94,000 contacts	£8.12
Investigating and resolving complaints	6,501	7,280	£893
Feeding back insights from running the scheme	322	n/a	n/a
Corporate enabling costs	4,759	n/a	n/a

Our cost base has increased for 2019-20 as a result of a number of one-off factors:

- loss of CMC work from 1 April 2019 means all overheads are charged to the legal jurisdiction (£477k overall);
- legislative changes impacting employer pension contributions from 1 April 2019 have increased staffing costs by £0.1m; and
- the proportion of investigators new in role (less than a year's service) creates an opportunity cost in terms of productivity

Longer-term reductions in cost will flow from improved quality, impact and effectiveness, which will allow us to operate with reduced staffing. This is the reason this plan focuses on quality, throughput, consistency of approach and building staff capability without risking unintended consequences from targeting unit cost, or simplistic, unreliable comparisons with other ombudsman schemes. A detailed budget breakdown appears below.

Budget line	Legal £'000	Overhead £'000	Total £'000
Staff Costs	7,059	2,677	9,736
Training	25	47	72
Recruitment	34	38	72
Travel & Subsistence	1	8	9
Fees (audit, service complaint adjudicator, legal, licences)	57	150	207
Print, Post, Scan & Translation	152	11	163
Research, surveys		67	67
Premises - net of income		601	601
IT & Telecoms		1,093	1,093
Bad debt	48		48
Other (bank charges, books, & publications)		13	13
Interest receivable		-45	-45
Depreciation		444	444
Reallocation of Overhead		-134	-134
Total Costs	7,376	4970	12,346

External KPIs

The new KPI framework introduced from April 2018 has worked well. In 2019-20 we are retaining the same KPIs but are setting more stretching timeliness KPIs as we will have cleared the opening legacy cases during 2018-19. Our KPIs are underpinned by a suite of strategic performance measures which we also report to the OLC Board, management indicators and a detailed monthly operational delivery plan.

Objective	Measure		KPI
Customer experience and quality			
Ensure no undue delays in progressing cases	% cases in our case management system concluded within target for that category of case (based on cases concluded in period)	Low	65% within 90 days; 90% within 180 days; 99% within 365 days
		Medium	40% within 90 days; 85% within 180 days; 95% within 365 days
		High	0% within 90 days; 33% within 180 days; 95% within 365 days
		All	45% within 90 days; 78% within 180 days; 95% within 365 days
Deliver against customer service principles	% customer satisfaction with service at the end of the process (those satisfied with outcome)	Complainant	>85%
		Service provider	>85%
	% customer satisfaction with service at the end of the process (those dissatisfied with outcome)	Complainant	>15%
		Service provider	>15%
Improve our quality	Number and % of service complaints upheld at final stage (Stage 1, 2, 3)		No target – trend
Reputation and raising professional standards			
Sharing insight	% of stakeholders agreeing that LeO provides value-adding insight		No target – baseline in 2018-19
Efficiency and resilience			
Efficient and effective resource management	Unit cost per case – <i>net of estates income and gross costs</i>	Overall (all complexities)	£1,695
People, leadership and culture			
Recruit and retain the right staff	Quarterly and rolling turnover rate		<18%
	Average days per employee lost to sickness	All	Below CIPD average
	Civil service and Pulse engagement index		>60%