

Business Plan

2021 - 22

LEGAL OMBUDSMAN





Contents

Introduction: Listening and Adapting.....	3
Foreword: Delivering recovery and stability for sustainable improvement	4
An overview: 2020/21	6
Covid-19: Impact and uncertainty	7
Strategic framework.....	8
Commitments: What to expect in 2021/22	9
Business Plan Priorities	13
Measuring success and reporting performance	22
Budget	27

Introduction: Listening and Adapting



The Office for Legal Complaints (OLC) started to consult on the 21/22 Business Plan and budget for the Legal Ombudsman Scheme back in November 2020.

There is no doubt in my mind that these intervening months have been critical, affording us an essential opportunity to review and reassess. We've thought carefully about Covid-19, its ongoing impact on the sector and Legal Ombudsman staff; we've revisited and tested the assumptions behind, and confidence levels in, what can be delivered over the next two years; and we've listened to the insight of the new Chief Ombudsman and Chief Operating Officer.

Above all we've carefully considered consultation feedback and what the sector has taken the time to share with us. In this we've seen an appreciation of the OLC's openness and honesty; how the transparency of the multi-year approach is valued; and a recognition that the Legal Ombudsman scheme needs to stabilise before it can improve. But this can't mask that the OLC was asking for a lot. Some investment is needed but the message we've heard is: *'Are you sure you can't make better use of what you've got in the first year? Are you really making enough use of innovation/Priority Two and a commitment to doing things differently? Are you focusing your improvement enough on the backlog?'*

The result is a revised Business Plan and Budget. The Plan remains part of a multi-year approach, but it has been re-balanced. There is now a greater emphasis on supporting existing staff to increase performance and productivity, through simplifying ways of working and doing things differently. A clear pathway to reducing the backlog is urgently being identified. More detail is provided on Priority Two and on alternatives to existing delivery models. Priority Three's commitment to insight and impact work has been sharpened to those areas which will have the most impact in preventing and reducing complaints in the first instance.

This last point matters. Ensuring the Legal Ombudsman recovers and improves is not just the OLC's problem and is not just about the regulatory objective of protecting and promoting consumer interests through access to redress. This is fundamental to how the legal profession engages their customers, the sector's commitment through education and learning to improving their customer experience and the contribution that the ombudsman should be making to this. The current backlog is affecting confidence in the scheme, credibility within the sector, the trust of complainants, and the OLC's ability to have conversations about the Legal Ombudsman's accountability and fit within the wider regulatory framework.

This is a delicate balance. The sector wants to see more improvement, more quickly. So does the OLC. But as the lifetime of this consultation period has shown, uncertainty now needs to be planned for and changes must be sustainable. The OLC cannot and will not claim a level of certainty which is not realistic at present but I understand that the sector needs to see more and we've responded to this. A new commitment has been made to not just provide the sector with more information in real time, but to establish better and more regular forums of accountability. This lies at the heart of the new agreement and working relationship that we now want to establish between the Legal Ombudsman and the sector.

Elisabeth Davies, Chair of the Office for Legal Complaints

Foreword:

Delivering recovery and stability for sustainable improvement



It is a pleasure to introduce and share the Business Plan and Budget for 2021/22, and my first as Chief Ombudsman.

Our focus in 2021/22 is on delivering urgent recovery and stabilisation of our service and building confidence in our ability to deliver sustained improvements. The extent of historic and current performance challenges are substantial, and we recognise the uncertain and ongoing impact the Covid-19 crisis is having on operational performance. We understand this context and the need for the Legal Ombudsman to stabilise before we improve. We also recognise that only sustained, improved performance will provide confidence in our ability to transform and build support for continued investment.

This Plan sets out how we will deliver improvement with pace to reach a position of performance stability in 2021/22, leading into sustainable transformation through 2022/23. We will do this with a reduced level of investment and recruitment and an enhanced focus on doing things differently. Our 2021/22 budget represents a 13% increase, or an 8.9% increase on the revised 2020/21 baseline position when reflecting the interim budget increase. This is a reduction from the 19% year on year increase proposed in the consultation.

This investment will support stability and recovery in 2021/22 and significant growth and improvement through to the end of the current strategy period. We will maintain, as a minimum, our existing commitment to reducing and stabilising the Pre-Assessment Pool (PAP) in 2021/22 but with a sharper focus brought to this backlog as a critical early priority to assess how we can reduce this even more quickly during the year. Our forecasting shows that in 2021/22 this investment will reduce the backlog, reduce waiting times for all case complexities and increase case closures. By the end of 2022/23, as a minimum, we will reduce wait times for all case complexities by 32% and increase the number of case closures by 73%.

This forecast represents the minimum expected position, given that our modelling is based largely on assumptions from existing processes and ways of working. We understand that complainants and stakeholders want to see greater pace. As a new leadership team, we have made some early assessments of existing ways of working and set out our intention to approach performance challenges with an enhanced focus on underlying approach and culture. We hope to deliver some early signs of improvement but it is too soon, at this point, to forecast with confidence the cumulative impact of planned initiatives and innovations, including the impact of a dedicated focus on the backlog. What we can say at this stage is that we anticipate being able to deliver more, and that we will, in the short term, urgently seek to improve the experience for customers who are simply waiting too long for an investigation.

We recognise that certainty is key to building confidence. We will be accountable for our progress and are committed to maintaining an open dialogue about our performance. In this plan we commit to establishing a stakeholder Advisory Group from April 2021 and to undertaking a mid-year stocktake of progress against the Business Plan by November 2021. Through this stock-take we

will openly account with the sector for our performance and progress with improvements over the first half of the year. We will also set out the emerging individual and cumulative benefits of our innovation work and wider improvement initiatives which we expect to realise over the course of 2021/22 and 2022/23.

Through the mid-year review we will also assess our year two budget position in full dialogue with the Legal Services Board (LSB) and stakeholders. This 2022/23 position will be conditional on demonstrating clear improvements in year one, taking account of revised performance forecasts and assessing where further added value is necessary to support our transformation.

Importantly, we will continue to focus resource on sharing learning and insight to drive improvement across the legal sector and to maximise the value we offer. We have not lost sight of the invest-to-save aims of this work and will look to co-ordinate and target our activities on the areas of greatest repeat failure. Again, we commit to dialogue with stakeholders to assess how best to achieve this.

We do not underestimate the scale of the challenge we face or the uncertainty remaining over the coming year. I am acutely aware, however, of the impact delays in our service are having on complainants who are currently unable to access their right to timely, effective redress and I am determined to address this as a matter of urgency. We recognise that there is work to do and that we need to show progress quickly. I look forward to working collaboratively with our stakeholders, and to updating them on our progress over the coming year.

Paul McFadden, Chief Ombudsman

An overview: 2020/21

This has been the first year of the Legal Ombudsman's three-year strategy. When the 2020-23 strategy was developed, alongside the Business Plan for 2020/21, it outlined a commitment to improving customer service; using knowledge and experience to improve the legal sector; and ensuring that the scheme remained relevant and could adapt to the evolving legal sector. The commitment to those objectives remains as strong today, as it was over a year ago.

But 2020/21 has been an unprecedented year. The impact of the Covid-19 pandemic has been felt across the legal sector and at the Legal Ombudsman. Both consumers and service providers have been affected by the lockdowns and many factors have impeded customers' ability to engage with the complaints process. The initial period of lockdown saw service providers facing considerable challenges not only in terms of their ability to provide a service to their clients but also in their ability to engage with our investigations. Throughout this the Legal Ombudsman has endeavoured to provide support and flexibility to all customers during these difficult times.

During the year, the Legal Ombudsman successfully moved from being a primarily office-based service to working entirely remotely, and as a result was able to remain open for business throughout the pandemic. However, the effects of Covid-19 have adversely impacted the scheme's ability to deliver the level of service that was set out in the plans for the year.

The Legal Ombudsman has been working hard to stabilise its performance and bring the level of service it provides to its customers back to an acceptable level. During the first few months of 2020/21, however, the number of customers waiting for an investigation began to rise to an unacceptable level and the number of closed cases declined. In April 2020 the number of customers waiting to have their complaint investigated sat at 2,464; by March 2021 this is predicted to rise to 4,943. This is the scale and size of the challenge faced by the Legal Ombudsman.

Significant work has been undertaken through the year to understand levels of demand and productivity, along with identifying possible scope for efficiency. This has included work to support and develop existing staff as well as to improve staff engagement and retention. Performance and engagement have shown steady signs of improvement in the latter quarters of 2020/21 but there is more work to do. Key strands of work have supported longer-term performance recovery including development of the People Plan, investment in forecasting and project management which has enabled more effective management of the overall business process, and a clear understanding of the impact of changes in areas such as staffing and complaint levels.

Learning and Insight work has continued providing feedback to the profession with the delivery of online complaints handling courses to over 350 people last year.

The work started in 2020/21 forms the foundation of the Legal Ombudsman's plans for the forthcoming year.

Covid-19: impact and uncertainty

The impact of Covid-19 disruption on our service remains as we move into 2021/22 and represents the most significant risk to the improvement trajectory.

The Legal Ombudsman's productivity continues to be significantly affected as many staff balance work and caring responsibilities. This has been closely monitored and has been factored into performance assumptions and forecasts. Staff are working as flexibly as possible to help mitigate the impact of the pandemic on performance, but team leaders continue to face the challenge of leading and managing the wellbeing and performance of a remote workforce. A similar impact on productivity and wait times continues to be felt by other Ombudsman schemes and it is possible that events may lead to further difficulties during the year.

The Legal Ombudsman is conscious that the challenges the pandemic has placed on the sector will continue into 2021/22. The ongoing monitoring of data and engagement with regulators and representative bodies will ensure understanding of the current and likely future impacts of the pandemic on legal services and on areas of law which generate significant demand. Ongoing horizon scanning ensures that the OLC and Legal Ombudsman are sighted on developments within the sector that could impact demand.

Throughout the pandemic demand has remained broadly static and the five areas of practice which have typically generated most complaints are likely to remain the same in 2021/22. There may be some variation in levels of demand in specific areas of practice such as residential conveyancing and litigation but based on currently available data it is unlikely that there will be a significant impact on total incoming complaints.

The range of potential outcomes and impacts of the pandemic make it difficult to plan with certainty. As the pandemic continues to unfold Covid-19 developments will be regularly monitored to fully understand the impact on the following areas:

- demand, throughput, and outcomes;
- staff wellbeing and performance;
- plans for recruitment;

This will ensure that a clear focus is kept on providing the best possible service to customers.

Strategic framework

This Business Plan sets out the priorities for the Legal Ombudsman in 2021/22 and the relationship to the three-year strategic framework. It is for the second year of the 2020/23 corporate strategy period, working towards the following strategic objectives.

Vision: Our work builds genuine confidence in legal services in England & Wales

Mission: To be an independent and impartial ombudsman service providing reassurance and redress while constructively challenging the legal sector to improve.

Strategic Objectives

Improving the experience of our service for complainants and service providers while using our expertise to guide and add value to the complaints journey.

Increasing the transparency and impact of our casework to support greater access to justice.

Developing our service to ensure it is appropriate for the evolving legal sector.

Business Plan

Priorities

21/22

1: Support existing staff to increase performance and productivity.

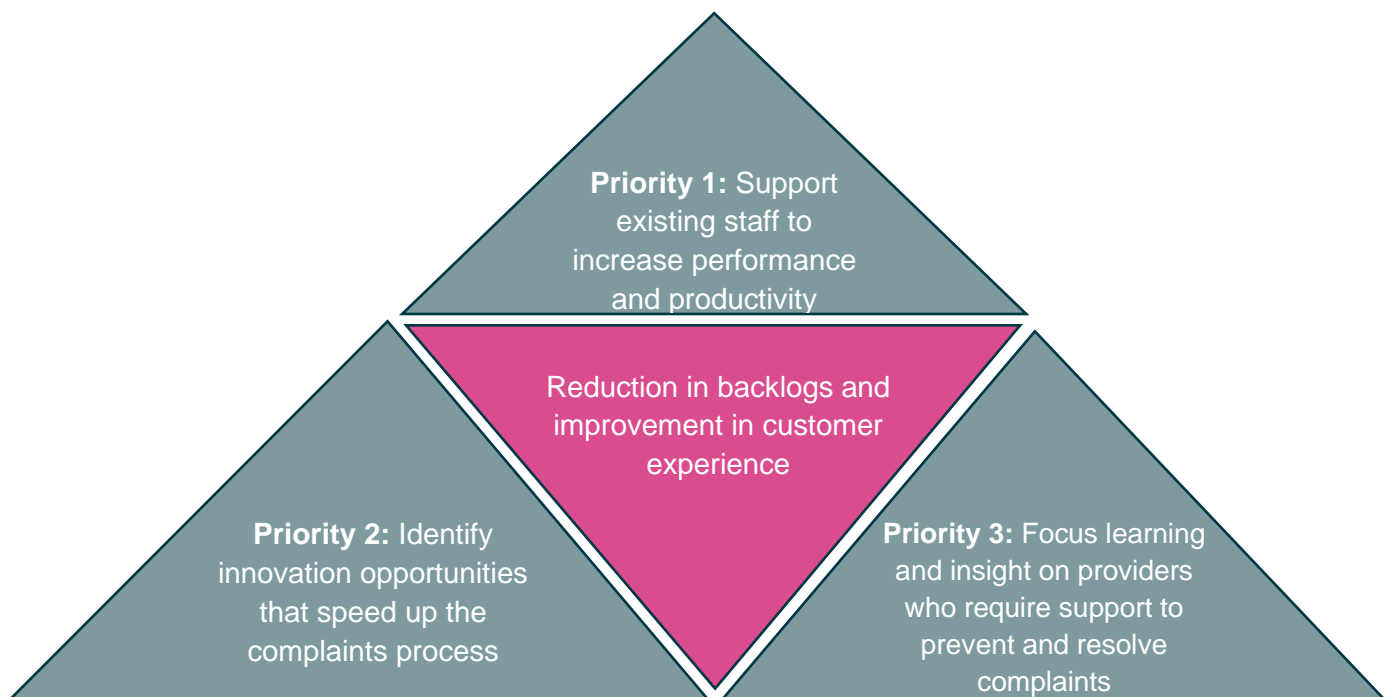
2: Identify innovation opportunities that speed up the complaints process.

3: Focus learning and insight work on providers who require support to prevent and resolve complaints.

Commitments: What to expect in 2021/22

The need to do significantly more with existing resources for the benefit of customers has never been greater. In 2021/22 there will be an unrelenting focus on service to all customers to ensure they are at the heart of activities and plans. This Business Plan recognises the need to build on the learning that has happened throughout the organisation as well as the need for swift improved performance to be owned at every level of the Legal Ombudsman.

There are three key priorities areas in the Business Plan.



The Business Plan for 2021/22 is designed to develop confidence in the Legal Ombudsman's ability to deliver improved performance and to lay the foundations for sustainable change to be delivered during this strategy period. It is focused on operational performance improvement, customer service and improved value for money through driving efficiency from our existing resources.

There are obvious benefits to bringing in new teams to focus on investigations and case closures but there is also a duty to ensure existing resources are being used to their maximum potential. This will be done by achieving more from the resources already provided to the Legal Ombudsman and by simplifying business processes to enable people to do the best job they can. As progress is made against cultural and process change, plans to recruit modest numbers of new colleagues in a sustainable way will be implemented.

The forecasts in this Business Plan are from a modelling system based on existing ways of working and with a small uplift in intended productivity. The Legal Ombudsman does not want to over promise therefore the potential outcomes which derive from changes to our culture and working practices have not been quantified or factored into the projected outcomes. Without

quantifying the impact of innovations or improvements it is recognised that current forecasts under-promise the expected end position. It is important that we are transparent on this point. The commitment is to deliver more and the results outlined in this Plan are the minimum expected.

This Business Plan will deliver the following commitments:

Commitment to change

The Legal Ombudsman knows it needs to change and this Business Plan is the first of a two year recovery programme which will move the Legal Ombudsman into a high performing organisation which is able to keep pace with demand, deliver improved customer experience, and provide effective learning and insight to the sector.

The change journey, whilst focused initially on immediate customer facing objectives such as reducing the number of people waiting too long for an investigation, will in the longer-term focus on underlying change over the remaining strategy period. This will involve progress with a number of improvement innovations and initiatives through 2021/22 into 2022/23 from conception and testing to planning and implementation.

We will use these initiatives to realise improvement in the customer experience. Improvements in efficiency will be carefully balanced with a focus on quality and fair outcomes and a commitment to inclusivity and accessibility. This change will be supported by our enhanced capability and confidence in performance forecasting, along with better risk and project management. This will help manage sustainable delivery of change and ensure a clear understanding of the impact in areas such as staffing and complaint levels.

Commitment to reduce the backlog

Reducing the backlog and making progress for consumers, is central to transforming the performance of the Legal Ombudsman. The Legal Ombudsman will, as a critical early priority, set out and implement an immediate recovery and improvement plan to assess and identify a clear path to reducing the backlog.

The Business Plan sets out the actions that will be taken under Priority One and Two which will cumulatively enable the ombudsman to understand and reduce the backlog. This will include: investigating and understanding the cases in the backlog, creating the most favourable conditions for staff to thrive and meet expected levels of performance, use technology to make the process more efficient, and investigate new ways of working.

This work is set out in detail in Priority One and Two.

Commitment to being transparent and accountable for delivery

The Legal Ombudsman will be accountable for performance and progress against the commitments in this Business Plan. Maintaining an open dialogue with all stakeholders on performance and forecasts and the pace of improvements is central to this.

A stakeholder Advisory Group will be established in April 2021 and the Legal Ombudsman will work collaboratively with all those who have offered their valuable time and expertise to help assess and develop approaches to improving the service. This will include a full account of the work on innovations with a view to developing jointly owned solutions.

There will be full transparency over performance information. The available performance information has improved significantly during 2020/21 and moving forward it will be shared in a way which allows stakeholders to both understand and contribute to ongoing work.

A fully transparent mid-year stocktake of progress against the Business Plan will take place in November 2021. This will account for performance and progress over the first half of the year and will also set out a clearer picture of the emerging individual and cumulative benefits of innovation projects and improvement initiatives which are expected to be realised in 2022/23.

This review will account for progress against the following:

- Reductions in the Pre-Assessment Pool. This will include a full account of the position at the mid-year point and forecasts for the end 2021/22 and 2022/23 position.
- Performance for the first half of 2021/22 across all key indicators and against forecasts, highlighting key areas of success and areas for improvement.
- An assessment of individual and cumulative benefits of innovation projects and improvement initiatives and when these are expected to be realised.
- Re-assessment of the forecast end year position in 2022/23 across key aspects of the customer experience.
- Learning and insight work including co-ordinating and targeting activities on the areas of greatest repeat failure.

Commitment to our people

People are critical to the success of this Business Plan. Meaningful staff engagement and a cultural shift in ways of working will be at the heart of this recovery and sustained improvement. Developing an inclusive and diverse workforce will ensure that the Legal Ombudsman develops as a great place to work.

The Legal Ombudsman will invest in the skills and capabilities of the workforce. There will be a strong focus on building leadership capability at all levels, listening to colleagues and making space for them to be part of the recovery process, and giving people the opportunity to give their best and achieve their aspirations.

The People Plan which is made up of the following project streams underpins the commitment to our people and making the Legal Ombudsman an employer of choice.

Project	Focus
Talent and Career Development	Review of job roles and organisation structure, career pathways and fostering talent.
Recruitment and Induction	Update recruitment and induction practices to attract the right people and support them through their initial months in role.
Employee Relations	Introduction of new HR case management system and review of key HR policies.
Performance and Training	Ensure managers can effectively support and manage teams in order to achieve organisation wide performance.
Reward and Recognition	Review pay structure and approach to rewarding excellent performance.
Communications and Engagement	Working with existing networks to support and promote staff engagement.
Organisational culture	Working with staff to identify the cultural changes needed and way of implementing the change.

The People Plan will provide the framework for people focussed activities and provide opportunities to rethink key elements of the career journey of staff with the Legal Ombudsman. The recruitment of a dedicated Equality, Diversity and Inclusion Manager will help to drive equality across all work.

The benefits of cultural change are hard to quantify or build into business forecasts – but they will bring benefits in this regard and it is also right to focus on the experience people have whilst at work.

Commitment to doing things differently

The Legal Ombudsman is clear that, whilst additional operational capacity is essential to improving the experience of customers, long-standing performance issues cannot simply be addressed through having more of the same.

The work set out under Priority Two will allow the Legal Ombudsman to think radically, and to really understand the deeper impact that changing processes and procedures can have on the backlog and overall customer experience. However, this work cannot take place without some parallel investment in additional operational staff, which will allow teams to focus on the pilot projects and bring down the backlog, without de-stabilising core operational performance.

Business Plan Priorities

Priority 1: Support existing staff to increase performance and productivity

Priority One focuses on improving the customer experience by supporting staff so that the level and quality of performance is improved throughout the year, and in doing so increases the pace at which investigations begin and the backlog is reduced.

How the Legal Ombudsman leads, manages and deploys people has a direct impact on the organisation's outputs and overall performance. To increase performance and productivity requires the Legal Ombudsman to create the most favourable conditions which will allow people to both thrive and give the best level of service. To do this the Legal Ombudsman will be clear about:

How we lead, through managing by behaviours and investing in individuals' capability and managers' ability to coach and mentor staff.

What we achieve, organisational, team and individual performance outcomes, understanding and addressing the reasons for performance variation and highlighting best practice.

And why, connecting people to the purpose of the organisation. This will be a critical foundation for performance improvement, re-establishing pride in the organisation and being clear about how every colleague contributes to the work of the Legal Ombudsman.

Alongside this an urgent recovery plan for the backlog will be developed and put in place. This will be based on a clear understanding of the cases that make up the pre-assessment pool and how these can be most effectively addressed. Some work has already taken place in late 2020/21 to understand the nature and makeup of cases in the pre-assessment pool. This will be continued, and dedicated resource will be identified to review the files currently waiting, to understand the makeup of this work, review multiple/linked complaints, and to understand potential outcomes and remedies. The aim of this will be to achieve appropriate and swift resolution of complaints as early as possible.

Priority Two will take the improvement of performance and productivity further by identifying and implementing the changes that can be made to the business process.

Clear progress for the benefit of customers is an acknowledged priority for the Legal Ombudsman. Some of this progress can and has been factored into this Business Plan. However, the intended outcomes from a renewed focus on the development of staff and increased efforts to reduce the backlog cannot easily be quantified, which means further performance improvements have not yet been factored into the forecasts. The Legal Ombudsman is equally committed to both priorities, they are the appropriate way to improve performance outcomes for customers and to achieve value for money. A positive impact on forecasts from these actions is anticipated.

STRATEGIC OBJECTIVE: Improving the experience of our service for complainants and service providers while using our expertise to guide and add value to the complaints journey.

BUSINESS PRIORITY: Support existing staff to increase performance and productivity.

	DELIVERABLE	ACTIVITIES	OWNER	TIMING	DEPENDENCIES
1	Maximise operational performance	Plan activities to build on and progress the learning from the Staff Survey 20/21	Chief Operating Officer / Operational Delivery Team	Q1 and ongoing	People Plan: Team Leader development, Performance and Training project – beginning Q3 + Q4 20/21
		Support and mentor all operational leaders to proactively manage the performance of their teams			
		Develop leaders at every level and progress activity to reduce performance variation optimise performance through ongoing remote working			
		Managing by behaviours – the <i>how</i>			
		Improve performance outcomes, the <i>what</i>			
		Helping all people to see how they impact on customers – the <i>why</i>			
		Target focused resource to the pre-assessment pool backlog, to review, progress and conclude cases within a robust recovery plan			
		Work with and learn from other ombudsman schemes. Consider how they organise resources and deliver outcomes			
		Undertake ombudsman and case decision review project			
Implementation of outcomes from ombudsman and case decision review project	Q2 and Q3	Quality review framework / Feedback from customer satisfaction surveys			
2	Recruit operational resources in order to increase case	Review and refresh recruitment and induction strategy	HR	Q4 20/21	
		Investigator recruitment and induction to replace attrition	HR	Q1	Operational Delivery / Operational Transformation

	closures to 7,057 by year end and a support a long-term reduction in wait times	Recruit and induct two investigator teams (24 investigators, two team leaders, and one ombudsman)	HR	Q2 + Q3	Operational Delivery / Operational Transformation People Plan: Recruitment and Induction Q4 2020/21
3	Reduce disproportionate wait time for high complexity cases	Implementation of appropriate deployment model for L1 ombudsman team	Operational Delivery	Q1	People Plan: Talent and Career Development Q3 20/21 – Q1 21/22
		Continued focus and support to promote early resolution where possible	Operational Delivery	Ongoing	
4	Monitor and maintain the quality of work through the Quality Framework	Implement outcomes from Quality Feedback review	Operational	Q1	Operational Delivery
		Feed outcomes from customer satisfaction surveys into appropriate business areas	Support	Ongoing	

Priority 2: Identify innovation and improvements that speed up the complaints process

Priority Two sets out how the Legal Ombudsman will innovate and reduce the time taken for resolving complaints. This work will drive faster, more efficient resolution of complaints which improves the individual experience for the customers going through our process, and in turn also allows for more complaints to be resolved, reducing the number of customers waiting.

Priority Two will be delivered through two parallel approaches: technological innovation work and identifying ways to think differently when handling cases.

Technological innovation

The Legal Ombudsman has an ambition to be a more agile, data driven Ombudsman that harnesses the power of innovative technology to provide improved customer service and outcomes. Throughout 2020/21 the Legal Ombudsman has been looking into disruptive technology and developing a series of solutions designed to improve case handling efficiency.

The first of these solutions is the automated processing of complaint forms, developing our systems so that complaints can be automatically created as case files are uploaded to the system. This was a previously manual process, and the technology means that front line staff are freed up to focus on communication and engagement with customers. This technology went live in Q4 2020/21, and the efficiencies and staff capacity gained as a result will be leveraged to identify ways of further improving the front end of the service.

Further technology projects are scheduled to follow on from this work, including the development of a tool to assist with evidence review. Some of the high complexity complaint files generate thousands of individual pages of evidence which must be reviewed manually. This tool will provide a summary and analysis of large evidence files and allow investigators to easily locate key information at pace. This innovation will speed up the evidence review process, shortening the length of time taken for an investigator to be able to reach conclusions on complex cases. This will have the effect of reducing the overall time taken for complaints to reach a resolution, allowing investigators to replace their cases faster and help more customers.

Other work which is currently being scoped includes the development of a case age prediction model, which would provide insight as to the likely outcome and case age at closure of individual cases, as soon as they are received. This would enable the organisation to consider how to triage and streamline the flows of work into the Resolution Centre to maximise efficiencies and operational outputs.

Handling cases differently

Technology alone will not provide the level of improvement required for the Legal Ombudsman to provide the level of service customers require. For this reason, the Legal Ombudsman is committed to investigating ways to work differently which might support the more efficient resolution of complaints whilst ensuring that the quality of investigation standards and commitment to fairness and inclusivity are not compromised.

As has been set out in Priority One, driving efficiency in the business process and with the

operations community is one of the critical factors to achieving more from the resources already in place as is a need to deliver culture change with a focus on service to customers, and clear expectations for performance.

A number of initiatives will be taken forward, which will involve a change to the existing service delivery model and potentially deliver process efficiencies. Although currently only at the investigation/scoping stage, a small pilot team will be created to test these ways of working on live cases. If these pilots are successful, they will be extended into operations.

Within these initiatives, the current focus for identifying improvements draws on the clear feedback from service providers and stakeholders about the need to identify and resolve low complexity cases in a different way, and the need to simplify the way service providers are asked to provide evidence.

Complaints handling procedures differ significantly between service providers which, in turn, results in a wide variety of responses being provided following an initial information request by an investigator. A trial is being developed requiring service providers to respond to a standardised information request at the point a complaint is accepted for assessment, rather than waiting until an investigation starts to request information. It is anticipated that for certain lower complexity work this approach may enable investigators to progress cases more quickly.

In addition, a pilot adjudication model will be trialled for lower complexity work. This will focus on the parties to a complaint providing information in response to a standardised request within a limited time frame leading to a decision and appropriate outcome (rather than encouraging parties to agree an outcome). This method of dispute resolution is used, for example, in relation to disputes about parking violations. This approach would not be suitable for vulnerable complainants or more complex work, but might prove a more efficient way of resolving some lower complexity complaints.

Understanding the benefits

The organisation requires the space to fully assess and pilot these new approaches and consider the impacts on business process and customer wait times. As these innovations are currently untested, it is not possible at this stage to quantify the level of performance improvement that may be realised as a result of this work.

However, we do expect this work to allow the Legal Ombudsman to improve the time taken to resolve complaints and maximise opportunities for early resolution. This would increase the case closures for 2021/22 ahead of the projected performance forecast, bringing forward the date by which the Legal Ombudsman is able to deliver the level of service customers expect. This priority supports the Legal Ombudsman's commitment to making the best use of resources currently available and, where possible, limiting the additional budget required to improve performance.

The Legal Ombudsman is committed to driving forward these innovations and being transparent about the progress against this priority. Regular reporting and updates on this work will be provided along with projections for anticipated performance impacts once trials are fully developed. An Advisory Group will be established to support the development of this priority alongside our Priority One work.

STRATEGIC OBJECTIVE: Developing our service to ensure it is appropriate for the evolving legal sector.

BUSINESS PRIORITY: Identify innovation and improvement opportunities that speed up the complaints process

	DELIVERABLE	ACTIVITIES	OWNER	TIMING	DEPENDENCIES
1	Develop External Advisory Group	Set up group to advise on potential innovation projects and on alternatives to existing business process	Executive	Q1	
2	Scope and test pilot projects to test possible changes to business process	Scope innovation projects including Standardised Information Request (information being provided earlier in the process) and Adjudication Model (reaching an appropriate outcome with reduced support and contact)	Operational Transformation	Q1	
3	Implement pilot projects	Implement pilot projects		Q2	GET / Operational Delivery
		Review impact on business process and forecasting		Q3	Business Intelligence / Operational Delivery
	Wider implementation of projects into business	Operational delivery	Q3	Operational Transformation	
4	Investigate options for General Enquiries Team (GET) supporting "investigation ready" files	Plan and implement project looking at how GET can support investigation ie early resolution, standardising case files	Operational Transformation	Q2	GET / Automation project freeing up GET resources
		Review impact on business process and forecasting		Q2 + Q3	Business Intelligence / GET / Operational Delivery
5	Explore and implement technology projects	Complete implementation of automation technology project	Operational Transformation	Q4 20/21	IT
		Implement document summarisation tool project		Q1	IT
		Consider options for automating file complexity ratings by using outputs of natural language technology and revisiting case age prediction tools		Q2 – proof of value	GET / Operational Delivery / External partnership with CeADAR

		Develop an implementation strategy for 22/23 proof of value projects, including portal project		Q3+Q4	Operational delivery
6	Development of dynamic forecasting model to enable better understanding of efficiencies and processing times	Design and build forecasting model		Q4 20/21	
		Implementation of model		Q1	
7	Transparent accountability for delivery and progress	Mid-year stocktake	Chief Ombudsman	Q3	

Priority 3: Focus learning and insight work on providers who require support to prevent and resolve complaints.

Priority Three will see the learning and insight programme focus resources on working with service providers who most need support and getting the organisation to a state of readiness for future transparency work.

It is vital that an ombudsman not only resolves complaints but provides the appropriate opportunities for the sector to prevent and resolve complaints themselves. Feedback from the consultation acknowledged the importance of this work, however there was recognition that some of this work may need to be scaled back in order to focus on core operational priorities and in recognition of the ongoing impact of Covid-19. This means that some activities have been adjusted to allow this work to happen whilst some will continue to be delivered in a more digital, cost effective way.

One of the benefits from Covid-19 is how the organisation has already adapted to new ways of working, for example online learning events with stakeholders. This will provide further opportunities to reach a wider audience and target areas which will add more value to both the scheme and sector.

The Legal Ombudsman already provides a range of guidance and training courses for the profession. In 2021/22 the intention is to focus the available resources on supporting those who most need support and where possible tailoring the support that is needed. This means identifying those who either generate the most complaints (taking into account factors such as volume of transactions and areas of work) and using data to indicate those who have ongoing issues with their complaints process. Working alongside the regulators to deliver this will be essential and in addition an advice line will be set up so that service providers can contact the ombudsman team for advice and support.

Further development of the new website platform will take place, developing and updating guidance, and ensuring it is a resource for the legal profession. In-depth reports provide the opportunity for the sector to learn more about a particular area of law – at least one report will be produced during the year.

The Transparency and Reporting Impact work will also be taken forward under this priority. The importance of this work, which began last year, has been emphasised in the recent report from the Competition and Markets Authority (CMA). It is envisaged that this work will focus on exploring the business case for publishing ombudsman decisions so the organisation is ready to progress when operational performance is on track.

STRATEGIC OBJECTIVE: Increasing the transparency and impact of our casework to support greater access to justice.

BUSINESS PRIORITY: Focus learning and insight on providers who require support to prevent and resolve complaints

	DELIVERABLE	ACTIVITIES	OWNER	TIMING	DEPENDENCIES
1	Develop organisational learning and knowledge framework	Establish working group and programme of activities for the year, including:	External Affairs/ Operation Transformation and Delivery	Q1	Business Intelligence / Ops Support / People Plan: Talent and career development
		Impact case studies	Operation Transformation	Q1	
		Internal thematic reviews on misconduct referrals	Operation Support	Q2	
		Research - providers generating significant case volumes and what drives early contact	Operation Transformation	Q2	GET
		Create business intelligence tools which support feedback to the sector and transparency of data	Business Intelligence	Q1 + Q2	External Affairs
2	Develop opportunities for tailored feedback to the profession	Set up and implement service provider advice line	External Affairs	Q1	Operational Transformation
		Engagement with regulators to identify opportunities to work with firms		Q3	Operational Support
3	Increase opportunities for profession to learn from us, including visibility of resources	Tailored feedback courses as required	External Affairs	Ongoing	Operational Delivery
		Thematic report and tailored learning campaign		Q2 + Q3	Regulators and professional bodies to ensure effective dissemination and tailoring to relevant groups
4	Deliver business case for publishing decisions	Scope and develop business case for publishing decisions (including need for further consultation)	External Affairs	Q1 + Q2	Operational Delivery + Business Intelligence
5	Scheme Rules review and timetable for possible consultation	Undertake interval review of rules including impact of pilot project and needs for changes	External Affairs	Q4	Operational Support + Operational Transformation

Measuring success and reporting performance

Performance forecasting

Considerable work has been undertaken during 2020/21 to develop a set of assumptions around all of the factors that have the potential to impact on operational performance.

This work has been thoroughly tested and challenged by the Performance and Quality Task and Finish Group. This Group was established by the OLC Board in 2020/21 to assess the robustness and integrity of the assumptions built into the Legal Ombudsman's forecasting model and to understand the correlation between predicted outputs and actuals. During the year, the Group has looked at the forecasting model in detail, to understand how it works and the key inputs and outputs. Confidence in the accuracy of the model was provided by testing the outputs from the model against historical, achieved outputs. This provided assurance that the model worked to a high level of accuracy given the correct input assumptions. The Legal Ombudsman now has confidence that, in the majority of cases, variances in the assumptions within a sensible range have a limited impact on forecast delivery. The work of this Group has established the two assumptions with the potential to have the greatest impact on performance relate to the number of operational staff available, and their productivity.

To provide further assurance around this year's Business Plan and Budget, as well as forecast outputs, the Group has undertaken extensive scenario planning and stress testing of all key assumptions. The Group has also recommended further development of the existing forecasting model, to be completed prior to April 2021. The updated model will make it more responsive and importantly will enable changes to operational processes to be assessed based on their impact on delivery outputs. This will enable forecasting of the improvements and innovation outlined under Priority Two.

Performance

The work outlined under Priority One will focus on delivering a sustainable improvement in performance during 2021/22 and beyond.

The Legal Ombudsman is confident that with the support of its leadership community the performance of experienced investigators will return to and then exceed the levels seen in the years prior to the Covid-19 pandemic. Work will take place to improve the performance levels of less experienced and underperforming staff cohorts thereby maximising the outputs from existing operational staff. Over and above improving the performance of existing staff, the Business Plan also proposes focused investment in additional resource during 2021/22. That additional resource will enable the Legal Ombudsman to balance optimising operational performance with limiting the financial impact on the legal sector of significant investment in recruitment.

Based on the outputs of Priority One alone (and taking no account of Priority Two) operational performance over year one will improve to the level outlined in the table below.

Cases resolved	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
Year 1	473	520	569	596	600	600	602	619	611	611	625	629	7057
Year 2	630	621	658	674	698	676	675	706	674	668	635	647	7962

The table includes how operational performance will progress in Year Two if the levels of resource are maintained and if individual performance recovers to the levels projected.

Considerable work has already been done and will continue over the remainder of 2020/21 and into 2021/22 to ensure that forecast performance is attained and that anticipated improvements are delivered.

Successful performance against the anticipated outputs for 2021/22 will provide assurance and confidence in the Legal Ombudsman's understanding of the business, ability to achieve sustainable improvement and to accurately forecast delivery. It will also provide confidence in the Executive's ability to deliver further improvement in 2022/23 and beyond.

The work being done under Priority Two and the improvements that are anticipated have not been factored into the above performance trajectory as, at this stage, the outputs of these initiatives are untested and unvalidated.

Any improvements that are identified through the Priority Two work will be thoroughly reviewed and validated before being introduced into the existing business process at the earliest opportunity. Operational forecasts will be reviewed in light of improvements and efficiencies and it is anticipated that the performance outlined in the table above will be exceeded if the Priority Two work proves successful.

Key performance indicators

The Key Performance Indicators (KPIs) form the basis of quarterly external reporting. In addition, a dataset has been agreed with both the Legal Services Board and Ministry of Justice. This information will allow stakeholders to have a clear understanding of progress against forecast performance and will inform ongoing and honest conversations with all stakeholders.

Reporting Performance

Following consultation feedback the OLC will establish a stakeholder Advisory Group to support the Legal Ombudsman as it improves its efficiency with a clear aim of addressing the backlog in as short a time as possible. A further review point of the performance is scheduled for November 2021 with a Business Plan stocktake which will be shared with stakeholders.

Updating KPIs

Internal review points have been set within the year to assess the impact of the Priority Two pilots and innovation work on the core business process, and subsequent performance forecasts. The KPIs in the table below are based on existing performance assumptions and therefore these will also be reviewed and updated where appropriate to ensure that they are realistic and credible and reflect the right level of ambition for what we can achieve in relation to our service and the customer experience.

In particular, this year's target for the Customer Journey KPI currently reflects the impact that the increased number of customers is having on the time that they are waiting. At the start of April 2020 2,464 customers were awaiting assessment and this number is expected to rise to 4,943 by the start of April 2021. This KPI therefore currently reflects what is achievable this year, rather than the level of service customers should expect from us. This KPI will be reviewed and revised based on improvements realised under Priorities One and Two.

The Customer Journey KPI is a measure of both the waiting and investigating time. As has already been noted it is not yet possible to say with certainty how the work under Priority One and Two will affect the investigation time. However, based on the plans to recruit two new investigation teams and therefore increase the throughput of cases, at a minimum there will be reductions in the customer wait time by the end of year two of 37 days for low complexity, 81 days for medium complexity and 145 days for high complexity. As the KPI is a measure of the overall experience taken at the end of the investigation process there is a delay between these improvements and them being realised in the KPI scores. We would, however, take these extra improvements into account when reviewing the KPIs as part of the Business Plan stocktake mentioned above.

Value for money

The Legal Ombudsman currently monitors value for money against a Unit Cost metric, which is a simple equation dividing the cost of running the Scheme by the number of cases that are concluded in any financial year. This measure focuses solely on the work done by the Legal Ombudsman's resolution centre and is therefore not reflective of all that the Legal Ombudsman does. For example, supporting prospective and vulnerable customers, providing guidance and training and wider learning and insight for the sector.

The Legal Ombudsman is proposing to replace the unit cost with a more comprehensive suite of measures, built around the 4 E's (Economy, Efficiency, Effectiveness and Equity) model adopted and recommended by the National Audit Office (NAO). The existing agreed dataset will form the basis for developing this model.

1. Customer Experience and Quality

These indicators look at the day-to-day experience of customers using the service.

Description		Target 21/22	Target 20/21
Reasonable Outcome	Whether the outcome of a communication, investigation or decision (depending on the area of the business) was fair and reasonable	95%	95%
Customer Journey (end to end KPI)	The actual customer journey experienced by customers who have had a file closed or resolved each month. This is measured from the time a case is initially triaged and placed in the pre-assessment pool to the time at which the case is resolved.	80% of low complexity complaints to resolve in 325 days 80% of medium complexity complaints to resolve in 500 days 80% of high complexity complaints to resolve in 500 days	65% of low complexity complaints to resolve in 275 days 85% of medium complexity complaints to resolve in 326 days 99% of high complexity complaints to resolve in 499 days

Customer Satisfaction	At the end of the complaints process we survey consumers and service providers to see how satisfied they were with our service. The results tell us how many people were either very or fairly satisfied with our service. We measure this by those who were satisfied and dissatisfied with the overall outcome of the complaint because we know that the outcome of a case will affect how people think about the service they receive from us.	85% (satisfied with outcome) 12% (dissatisfied with outcome)	85% (satisfied with outcome) 12% (dissatisfied with outcome)
Volume of cases awaiting assessment (PAP)	This measures the number of people who are waiting for their investigation to begin each month. When someone sends us a complaint from their case is put in an assessment pool if it looks like we might be able to investigate. It stays there until an investigation begins. The target is based on our forecasted delivery plan.	Forecasted delivery plan, and to be reviewed at mid-year	4,862 at year end

2. Raising professional standards

These indicators look at the impact and usefulness of the courses, guidance and insight that are published. These will be revisited during the year to ensure they reflect this programme of work.

Description		Target 21/22	Target 20/21
% of service providers who agree that the Legal Ombudsman provides useful and relevant training resources	We ask service providers, who have had a complaint investigated by the Legal Ombudsman, whether they agree or strongly agree, that our training and resources are relevant and useful	80%	80%
Stakeholder satisfaction	We ask regulators and professional bodies whether they think we have effectively shared learning and insights with them and with service providers over the last 12 months.	80%	80%

3. Efficiency and resilience

This indicator monitors the unit cost of the service.

Description		Target 21/22	Target 20/21
Unit cost (see narrative above on value for money)	A measure to monitor cost and efficiency against the performance of the business, looking at the number of cases resolved by quarter against our costs for the quarter.	Monitored only	

4. People, Leadership and Culture

This indicator looks at staff engagement and staff attrition.

Description		Target 21/22	Target 20/21
Quarterly and rolling turnover rate	A measure of the total voluntary leavers for the past 12 months, as a percentage of the average total permanent headcount for the period.	18%	18%

Budget

Business area	2020/21	2021/22	2022/23
Operational delivery	£7,699,153	£8,783,999	£9,114,310
Policy and Impact work	£140,091	£227,146	£227,146
Corporate Functions and Business Support	£2,151,865	£2,350,734	£2,450,734
Total staff salary expenditure	£9,991,108	£11,361,880	£11,792,191
IT & Telecoms	£1,164,096	£1,379,534	£1,379,534
Premises & Facilities	£772,023	£772,023	£772,023
Other staff expenditure	£150,012	£205,012	£218,012
Depreciation	£443,480	£353,480	£443,480
Other costs	£287,597	£399,113	£419,113
Total non-salary expenditure	£2,817,208	£3,109,162	£3,232,162
Total revenue expenditure	£12,808,316	£14,471,042	£15,024,352
Case closures		7057	7962
Unit cost per case		£2,051	£1,887

Budget for 2021/22

The budget for 2021/22 has increased to £14,471,042 from £12,808,316 in 2020/21 as detailed in the table above. This represents a 13% increase, or an 8.9% increase on the revised 2020/21 baseline position when reflecting the 2020/21 interim budget increase. This is a reduction from the 19% (£15.6m) increase proposed in the consultation.

Following the consultation process, concerns around the size of the budgetary increase have been addressed while still focusing on a budget which will increase operational capacity and allows operational issues that impact customers to be addressed.

Operational delivery

The budget for operational delivery includes the General Enquiries Team (front-end advice), all investigation teams and ombudsman, as well as areas such as Operational Transformation and Service Complaints and Quality.

The number of additional operational teams has reduced from four new teams (one July, three November) as proposed in the consultation to two new teams (July and November). This reduces the cost in 2021/22, but also retains the ability to develop operational improvements (under Priority Two). Each team comprises 12 investigators and a team leader. The increase also accounts for the 2020/21 budgetary adjustment.

Policy and Impact work

The budget for Policy and Impact work covers the External Affairs team and Research which will deliver the work under Priority Three of the Business Plan.

Corporate Functions and Business Support

The requirements for non-operational posts to provide resilience in key corporate areas has been reviewed and looked at where it is appropriate to scale back this recruitment in order to reduce the budgetary increase.

The budget increase includes new roles to increase support and resilience including finance business partner, project manager, risk manager, diversity and inclusion manager which were identified in the 2020/21 interim budget submission.

Indicative budget for 21/22 to 22/23

As part of the commitment to a mid-year review of progress against this Business Plan the budget for year two will re-assessed on the basis of improvements that have been made. It is understood that future investment is conditional on progress against this Business Plan and a clear assessment of the expected benefits from improvement and innovation work.

The 2022/23 budget is likely to increase as a result of the full year effect of the operational teams added in 2021/22 which will have been recruited in an appropriate way to allow for any required reduction in staffing levels. This will add £447k to the budget for 2022/23. The £117k General Enquiry Team trial cost will be removed and the one-off adjustment to holiday pay accruals in 2021/22 will be added back in 2022/23 (£100k).

In 2022/23 the full year impact of the additional teams will become apparent with an estimated level of case closures of 7962, and a significant reduction in the cost per case (from £3,040* to £1,887).

*indicative figure

Accessing reserves

With the support of the LSB, and with a view to minimising the impact on the profession of the proposed budgetary increase, the OLC has sought to clarify whether and how it can access some or all of its reserves. The Ministry of Justice has confirmed that government financial management rules around the annual allocation from the Treasury and the drawdown of public expenditure are such that this is not viable.