

Meeting	OLC	Agenda Item No.	5
		Paper No.	94.5
Date of meeting	20 March 2019	Time required	30 Minutes

Title	Performance Report, including KPI tolerances
Sponsor	Rebecca Marsh, Chief Ombudsman and Steve Pearson, Head Ombudsman
Status	OFFICIAL
To be communicated to:	Members and those in attendance

Executive summary
<p>This paper summarises the position against KPI tolerances at the end of February 2019 and provides an overview of operational performance for the period.</p> <p>The position on tolerances is unchanged. We have 3 breaches of external KPIs and 2 Strategic Board Measure breaches. This remains consistent with our previous position.</p> <p>Organisational performance remains the significant issue and is impacted by resourcing and variable individual performance. These issues are being addressed within our budgetary constraints. Timeliness remains positive but is still subject to the impact of legacy work on 180 and 365 day closures.</p> <p>The paper provides a brief overview of operational performance. Appendix 1 provides a detailed overview of the position in relation to assessment. Appendix 2 summarises performance against KPIs and strategic board measures.</p>
Recommendation/action required
Board is asked to NOTE the report.

Operational Performance Report (February 2019)

1. Introduction

1.1. This paper provides an interim update on performance during this quarter to date

2. Headlines

2.1. As expected, performance against delivery plan is challenging due to the current resource constraints (as a result of attrition and sickness) and variable performance meaning that numbers of closures and new cases being accepted for investigation are lower than planned.

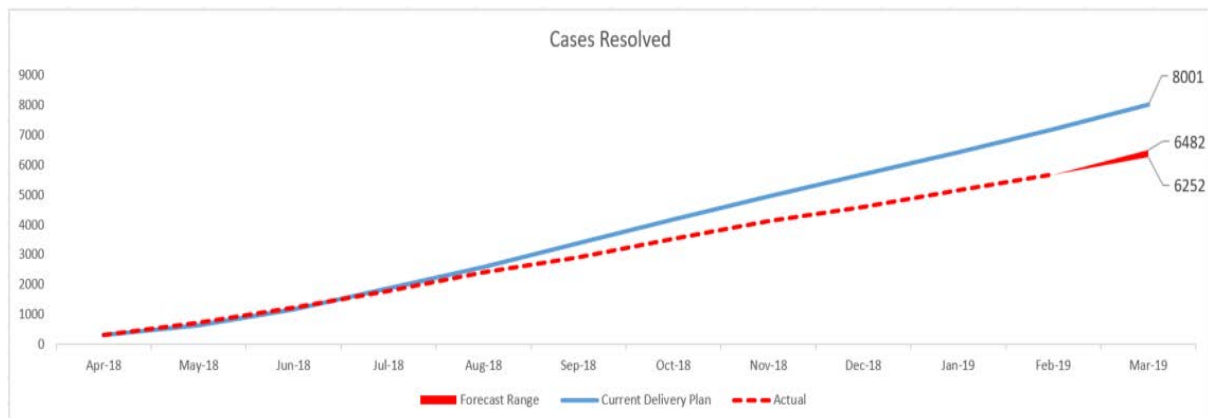
2.2. To the end of February we had closed 1082 cases against a plan of 1514 and have accepted 796 new cases against a plan of 1390. Year to date closures at the end of February were 5672 against a plan of 7191.

2018 - 19 Delivery Plan

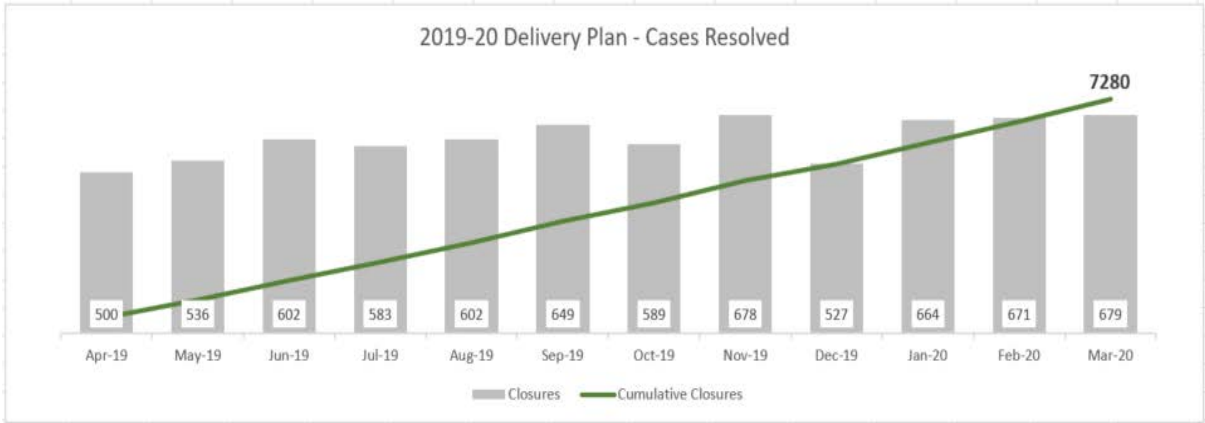
Cases Resolved - BAU	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	TOTAL
Delivery Plan	233	272	394	548	520	625	630	614	554	577	617	650	6234
Actual	227	269	362	388	471	374	474	447	392	432	423		
Cases Resolved - LEGACY													
Delivery Plan	70	75	112	176	184	160	170	170	170	170	150	160	1767
Actual	97	140	146	161	151	133	139	125	94	123	104		
Cases Resolved - TOTAL													
Delivery Plan	303	347	506	724	704	785	800	784	724	747	767	810	8001
Actual	324	409	508	549	622	507	613	572	486	555	527		

Cases Accepted	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	TOTAL
Delivery Plan	270	300	580	710	690	700	740	720	680	690	700	720	7500
Actual	251	287	283	362	393	323	344	474	300	388	408		

2.3. Performance in March is unlikely to show a marked improvement. As the graph below illustrates, overall closure performance for the year will be outside of tolerance. We will continue to use the available tools, including overtime, to drive delivery.



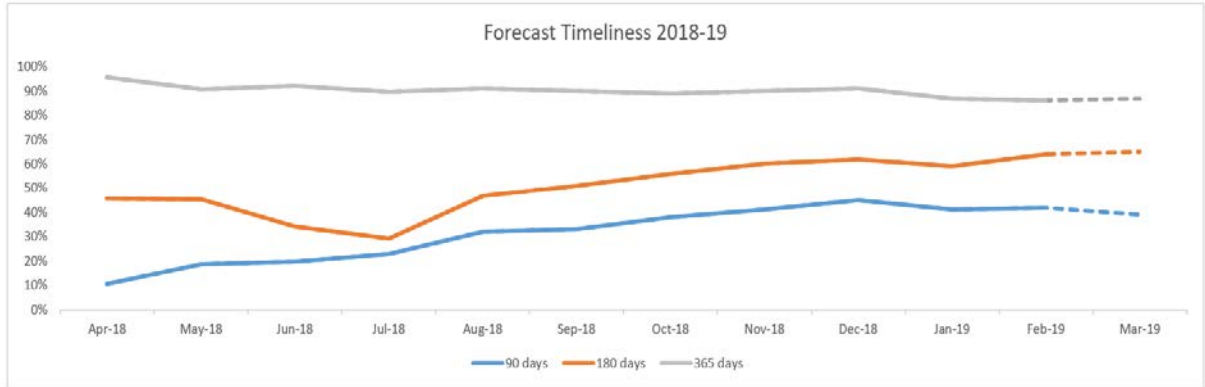
2.4. The arrival of 12 new investigators, 5 CMC transferees and 5 established investigators (returning from long term sickness / maternity) will have a positive impact on the active investigation WIP and, ultimately performance. The graph below shows the projected target performance for the first months of 2019/20 subject to budget and business plan approval.



2.5. The Legacy Team have made significant inroads into the historic WIP closing over 1400 cases year to date. The remaining active WIP in the legacy team, although under investigation, is unlikely to all be closed by the end of March. The team continues to perform well and is undertaking overtime to close as much as possible in year.

2.6. Legacy and historic CMS 1 cases continue to impact the overall timeliness KPI for 180 and may begin to impact 365 day closures. This will continue over the remainder of 2018/19 and into Q1.

2.7. Performance against timeliness KPIs for cases handled under the new case management system and supervision model remains positive. There is a slight downward trend in timeliness against the 90 day KPI but increased resourcing and strict application of workload management and side by side case reviews will enable us to recover that trajectory as we move into Q1.



2.8. Although there still remains a variance between the number of cases closed and new cases accepted for investigation, the application of the pull system and adherence to the caseholding floor has improved significantly during Q4.

2.9. A detailed review of the assessment process is contained in the attached annex.

- 2.10. The focus for the remainder of this year is the active progression of all of our current WIP to maintain performance against timeliness and minimise the effects of the assessment unallocated on customer satisfaction.
- 2.11. The challenges for 2019/20 are to build on the work already done to address variability of performance; to retain our best people; and, to train and develop our new cohort of investigators so they can contribute to organisational performance.

Appendix 1: Assessment process update

1. Introduction

- 1.1. This paper provides Board with an update on the progress that has been made over 2018/19 to date to refine and enhance the assessment process. It also highlights the initiatives that are currently ongoing as well as explaining how they are impacting on performance and customer experience.

2. Historical position

- 2.1 Pre Modernisation, a dedicated Assessment Centre, of over 30 assessors, 5 team leaders, a dedicated ombudsman and Operations Manager, handled all aspects of the assessment of jurisdiction. This approach:
- Had a conversion rate of around 40% with a high levels of handoffs, circular correspondence and returning work which artificially smoothed demand.
 - Relied on telephone wrap codes to record the outcomes of a significant proportion of all enquires making it difficult to determine and track volumes or stages of work.
 - Relied on assessor, rather than investigator, capacity when accepting cases for investigation. This resulted in a backlog of cases being accepted for investigation which the Resolution Centre were unable to progress.
 - Created rework and duplication when investigators took cases for investigation.
 - Created a poor customer experience and non-visible waits.

3. Current position

- 3.1. The General Enquiries Team, comprising 8 call handlers, 14 advisors, 2 team leaders and an operations manager, is now responsible for:
- Handling all initial contacts and creating a file on the case management system for each and every incoming contact at that initial stage
 - Ensuring the required level of documentation is on file and that key file data, such as first tier offers, is recorded on a file before it is passed for assessment
 - Identifying vulnerability and reasonable adjustments as well as recording E&D information
- 3.2. We have:
- Developed and introduced an online Customer Assessment Tool and complaint form which enable customers to determine for themselves whether we are able to handle their complaints and ensure that they provide us with all the evidence that we need at the outset.
 - Improved the level and frequency of communication with the parties while a file is awaiting investigator assessment

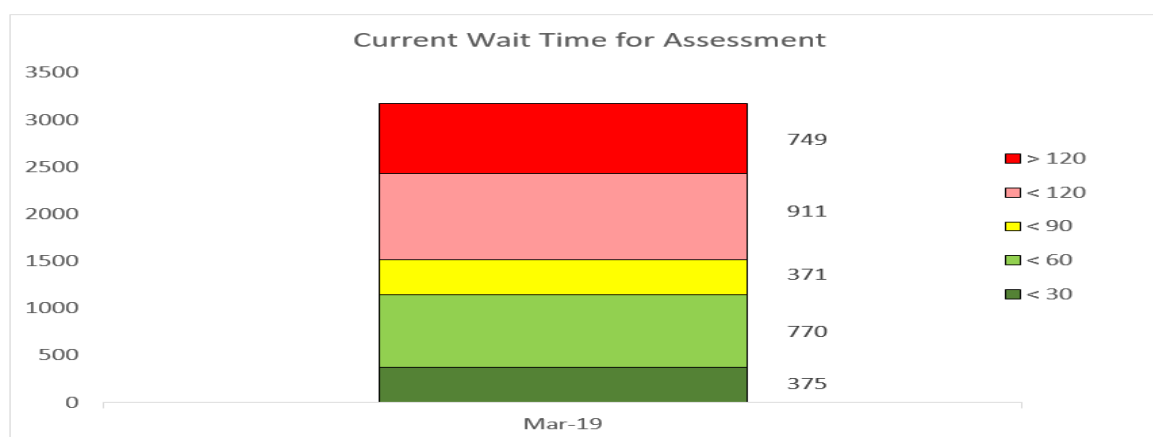
4. The benefits

- 4.1 As a result of the changes introduced through Modernisation:

- We have clear, reliable and comprehensive MI around the nature, volume and outcome of all enquiries made to GET which enables us to forecast better.
- We have reduced the number of handoffs and the need for significant amounts of returning work coming into GET.
- Our CAT and online complaint form now enable potential customers to determine for themselves if we are best placed to assist with their complaints and ensure that the information they send through to us is as comprehensive as possible.
- The conversion rate from enquiry to investigation has increased to over 80%.
- Files are only accepted as cases when an investigator has reviewed the information provided and determined not only that the complaint is within jurisdiction but also that we are the best organisation to address the issues that have been raised.

5. The impact

5.1 The increased efficiency at the front end of the process has removed previous individual pots of work, given visibility of the work awaiting attention and consolidated it into one place. This change, when combined with the challenges presented by reduced staffing levels (due to sickness and attrition), variable performance and the application of the pull system, has meant that we now have visibility of a pot with around 3,200 files currently awaiting investigator assessment.



5.2 In mitigation of the above:

- Based on the proposed delivery plan for next year (outlined in the performance paper), we expect to marginally reduce the volume of assessment work through BAU activity, as incoming work roughly equates to planned closure levels.
- Productivity improvements and any improvements in the levels of informal resolution will also impact on the speed that we reduce this volume.
- In addition, changes in caseholdings across existing staff will reduce the assessment unallocated by 300-400 and the arrival of new starters will reduce it by a further 300-350 by the summer.
- In Q2 the Legacy Team will be able to move to take new cases and in doing so could reduce the volume by a further 250-300 files.

6. Next steps

6.1 To address the impact on customer experience presented by the work awaiting assessment and to maximise the efficiency of our process we have:

- Developed a new strategic performance measure (included in our KPI proposals to Board) which will enable us to forecast demand and wait times at assessment.
 - Increased the frequency of communication with people awaiting assessment, updating them on wait times and providing guidance on action that can be taken whilst they are awaiting assessment.
 - Introduced a pre assessment triage process which reduces wait times for parties who would be better placed taking their complaint elsewhere and identifies vulnerable customers or those whose complaints need expediting.
- 6.2 We are also using the triage process to identify quick wins, complex jurisdictional points, and cases that need further information before they are ready for assessment.
- 6.3 Robust application of our Scheme Rules will enable us address complaints where we are not able to add value or that would be better placed dealt with elsewhere.
- 6.4 We are also actively assessing the potential impacts offered by alternative delivery models, referred to in the budget and business plan.

Appendix 2: Monthly KPI and tolerance report

External KPIs

Measure	KPI	Tolerance	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Tolerance exception report/additional info
% LEGAL cases concluded in new CMS (CEQ2a)														
90 days (legal – low)	60%	10% off target for more than 2 consecutive months or 2 months out of 4, in any category		100%	100%	100%	89%	91%	82%	86%	84%	81%	78%	
90 days (legal – med)	30%			100%	100%	100%	73%	61%	44%	52%	61%	57%	53%	
90 days (legal – high)	0%			0%	0%	100%	40%	45%	0%	0%	50%	25%	33%	
180 days (legal - low)	85%			100%	100%	100%	100%	100%	97%	99%	99%	98%	99%	
180 days (legal - med)	80%			100%	100%	100%	100%	99%	87%	98%	92%	90%	94%	
180 days (legal - high)	30%			0%	0%	100%	100%	100%	80%	85%	50%	75%	67%	
365 days (legal – low)	99%			100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	
365 days (legal – med)	90%			100%	100%	100%	100%	100%	99%	100%	100%	100%	99%	
365 days (legal – high)	85%			0%	0%	100%	100%	100%	93%	100%	100%	75%	100%	
% LEGAL cases (all complexity) concluded (CEQ2a)														
Within 90 days	26%	10% off target for more than 2 consecutive months or 2 out of 4	11%	19%	20%	23%	32%	33%	38%	41%	45%	41%	42%	Outside Tolerance: Performance against 180 day KPI continues to be impacted by the closure of historic CMS1 cases. Note: Performance against 365 day KPI has dropped below KPI but remains within tolerance – also as a result of the continuing drive to close the aged legacy and CMS1 cases.
Within 180 days	72%		46%	45%	34%	29%	47%	51%	56%	60%	62%	59%	64%	
Within 365 days	90%		96%	91%	92%	90%	91%	90%	89%	90%	91%	87%	86%	
% CMC cases (all complexity) concluded (CEQ2a)														
Within 90 days	60%	10% off target for more than 2	27%	20%	24%	29%	28%	54%	44%	65%	83%	62%	64%	
Within 180 days	90%		88%	80%	95%	93%	90%	87%	66%	86%	94%	97%	100%	

Within 365 days	100 %	consecutive months or 2 out of 4	100%	100%	100%	100%	99%	100%	99%	99%	98%	100%	100%	
Measure	KPI	Tolerance	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Tolerance exception report/additional info
Turnover (PLC2a/b)														
Quarterly rolling annual turnover rate	Rolling annual turnover <12 %	>3% above rolling annual target for two consecutive quarters	18.6%	17.6%	21.0%	19.7%	16.3%	17.7%	18.3 %	16.6%	16.4 %	15.4 %	15.8%	Outside Tolerance: Turnover remains above tolerance however below current national benchmark rates. This will continue to run at a similar level as we tackle performance issues in a very competitive local market.
Unit Cost per case (IRE8)														
Legal all complexities – net of estates income and gross costs	£1,484-£1,563 (+1% uplift)	>£100 over target – 3 month rolling average	Quarterly actual £2,133				Quarterly actual £1,829			Quarterly actual £1,717		£1,784	£1881	Outside tolerance: £301 over target of £1580
CMC all complexities – net of estates income and gross costs	£1,137 (+1% uplift)	>£100 over target – 3 month rolling average	Quarterly actual £1,453				Quarterly actual £1,217			Quarterly actual £788		£809	£722	Note: £497 under target of £1219

Strategic Board performance measures

Measure	Tolerance	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Tolerance exception report/additional info
Work in Progress													
Legacy team remaining work in progress – within 10% of plan – (CEQ2e)	>10% off plan for more than 2 consecutive months	1, 760 (ahead of plan)	1, 616 (ahead of plan)	1, 468 (ahead of plan)	1,343 (ahead of plan)	1,225 (ahead of plan)	1,105 (ahead of plan)	1,049 (plan of 997: 5% behind plan)	907 (plan of 827: 9% off plan)	801 (plan of 617: 23% behind plan)	677 (plan of 527: 22% behind plan)	568 (plan of 377: 33% behind plan)	Outside of tolerance: Legacy performance has been impacted by absence and, in part, by suspended work. However, all remaining Legacy WIP has been assigned for progression with a revised plan (including overtime) for closure in place.
Current work in progress – LEGAL by case complexity – within 10% of plan (tolerance > 20% variation to plan for more than 2 consecutive months) – (CEQ2f)	>20% variation to plan for more than 2 consecutive months	Actual 1,664 Plan = 1,522 Var = 8.5%	Actual 1,689 Plan = 1,550 Var = 8.9%	Actual 1,635 Plan = 1,736 Var = 5.8%	Actual 1,579 Plan = 1,897 Var = 16.7%	Actual 1,709 Plan = 2,097 Var = 18.5%	Actual 1,780 Plan = 2,172 Var = 18.0%	Actual 1,773 Plan = 2,282 Var = 22.3%	Actual 1,692 Plan = 2,388 Var = 29.1%	Actual 1,655 Plan = 2,514 Var = 34.2%	Actual 1,663 Plan = 2,627 Var = 36.7%	Actual 1,499 Plan = 2,710 Var = 44.7%	Outside tolerance: Current WIP continues to be impacted by staffing levels lower than expected at the time the delivery plan was drawn up.
Current work in progress – CMC – (CEQ2f)		Actual 535 Plan = 535 Var = 0%	Actual 474 Plan = 606 Var = 21.8%	Actual 386 Plan = 625 Var = 38.24	Actual 323 Plan = 655 Var = 50.7%	Actual 315 Plan = 657 Var = 52%	Actual 258 Plan = 490 Var = 47%	Actual 346 Plan = 511 Var = 32.3%	Actual 309 Plan = 518 Var = 40.3%	Actual 310 Plan = 496 Var = 37.6%	Actual 248 Plan = 504 Var = 50.8%	Actual 250 Plan = 499 Var = 49.9%	Outside tolerance: CMC WIP has been reduced by the changes to legislation and also the impending move to FOS and the need to manage the transition of work to FOS.
Monthly/quar terly variance	High	-44%	-12%	-25%	-389%	-10%	-217%	-381%	-82%	-57%	-181%	-350%	

between legal cases accepted and closed, by complexity <5% (tolerance > 10% variance for more than 2 consecutive months) – (IRE5)	Medium	-79%	-75%	-79%	-85%	-58%	-56%	-63%	-26%	-56%	-30%	-35%	
	Low	-22%	-100%	-127%	-60%	90%	-44%	-61%	-11%	-113%	-31%	-16%	

Measure	Tolerance	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Tolerance exception report/additional info
Budget Variance		Q1			Q2			Q3					
<1% variance against forecast – IRE9	Variance <2%	Legal 11%, CMC 16%			Legal 2.5% under CMC 6.1% under			Legal 4% under CMC 2.2% over			Legal 0.45% under YTD CMC 0% over YTD	Legal 0.84% under YTD CMS 0.1% over YTD	
Quality		Q1			Q2			Q3			Jan	Feb	
<10% of tasks and decisions sent back by Ombudsman LEGAL (IRE7)	>10% above target	5.2%			8.1%			7.9%			7.4%	7.1%	
<10% of tasks and decisions sent back by Ombudsman CMC (IRE7)	>10% above target	1.4%			7.1%			4.2%			6.7%	0.0%	