

Meeting	OLC Board	Agenda Item No.	8
		Paper No.	119.5A
Date of meeting	31 March 2022	Time required	20 Minutes

Title	Year to Date Performance
Sponsor	Sandra Strinati, Chief Operating Officer
Status	OFFICIAL / OFFICIAL SENSITIVE

Executive summary
<p>The slide deck attached shows the key performance indicators Year to date for 2021/2022. It links also to:</p> <ul style="list-style-type: none"> - the Agreed Data Set for February which was published on 16 March: and <p>Key points for the OLC Board to note:</p> <ul style="list-style-type: none"> - YTD Case closures in total are 5683 which is 88.5% of the 2021/22 business plan assumption. End of year forecast is 90% against the case closure assumption - Core demand is above business plan assumptions with 718 cases. Monthly average now at 614. February was a known increase and expectation is that this will reduce back to 600 for March. - The February established investigator cadre is 22% below the workforce assumptions in the 2021/22 business plan, the average across 21/22 is 14% (84.69 vs 72.71) - Monthly business plan case closure assumptions cannot be achieved with the resources available. - There is a direct correlation between investigator resource and BP outcomes - Forecasts show that with new initiatives we remain on course to achieve 90% of the original BP assumption on closures. - Productivity amongst investigators is stabilising, with the team consistently achieving over 5 closures per month. Taking the festive period out, Q3 and Q4 shows a monthly average of 5.49. - Attrition, maternity leave and sick absence are running ahead of business plan assumptions. Factors contributing to attrition are job market picking up, and salaries that are not competitive compared to other employers. LeO's continued focus on operational performance variation has an impact also - Absences related to covid-19 continue to be the main reason for absence (106 days) with mental health related absences following (83 days). Now that the focus on covid booster vaccinations has passed, we have observed an increase again in absences due to surgeries/medical procedures taking place. - Intervention into the PAP has accounted for 938 early case closures year to date. A further 218 are forecast in March as FET ramp up to the required 270 for 22/23. This will make a year-end total of 1156. Against an expectation of 900 = 28% over expectation - The new role of General Enquiry Team Investigator (GETi) has now been deployed to support the FET to support the ramp up of Early closures and Proportionality work.

- When comparing the 1st 6 months 21/22 to 2nd 6 months, on a monthly average LeO are closing 9% more cases. This has been completed with 29% less established resource est resource when comparing April – Sept 21 to Oct 21– March 22.

Recommendation/action required

Board is asked to **note** the paper.

31/03/2022

**OLC Board
Operational
Performance - 21/22
YTD to YE**

In month headlines February 2022

PAP volume

PAP BP assumption for Feb 22 was **4785**

Actual PAP for Feb 22 was **6010**, above revised forecast . However **690**

of these cases have been Identified as early proportionality closures

Current Projected PAP size for end of year is **5960** against expectation of 4696

Customer Journey Times

Target in days - Low 325, Medium 500 and High 500

Achieved - in month Low 382, Medium 427 and High 659

To note, LeO are seeing a increase in CJT over the last quarter due to the focus on

reducing the backlog. Closing older cases from the backlog contributes to a higher CJT.

An improvement in Investigation is being seen with the quicker timing from the new initiatives.

Closures

BP assumption Feb 22 611

Total revised assumption = 562

Revised assumption Feb BAU closures 441 Achieved 409

Early closures assumption 75. Achieved 159

Total Revised assumption 562 Total customers helped - 568

Variance to forecast +1.06% over forecast

Productivity

Productivity est investigators BP assumption 6.3

Achieved 5.26 on post investigation closures only

If we include the early closures, productivity increases to 5.47

Non est cohorts from September continuing to perform above the set expectations

FTE

BP assumption 75.00 est

Actual est FTE 58.17

Non est FTE 33.53

Total 91.70

Summary

We continue to deliver more closures than assumed with the resources we have available and are currently trending above the scenario we anticipated. We expected to have closed **456** cases with the **58.17** established investigators in post plus delivering **6.3** plus our new investigators, instead we delivered **409** investigation closures plus **159** early closures, therefore total closures were **568**.

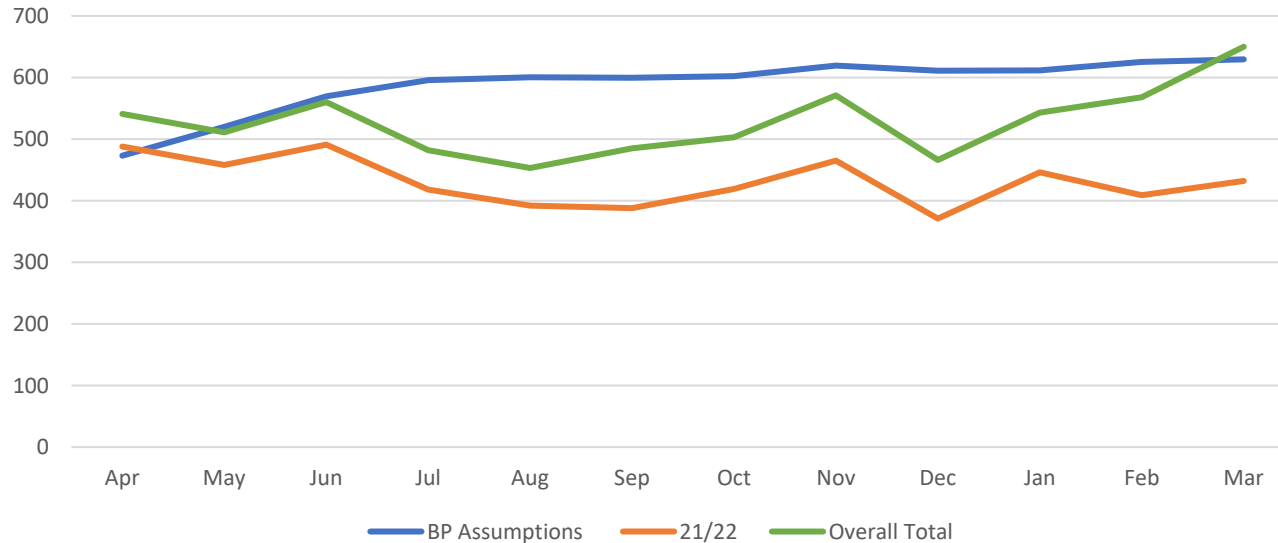
This **exceeds** the closure rate for February 2020 by 102 2021 had with 83.88 established FTE in post . 2021/22 monthly average of cases closed by investigation in exceeds the 2020/2021 monthly average by **38**.

Likely to end year at 90% of closure assumption with around 86% of expected established staff against the BP Assumption.

Closures 21/22 YTD

Current Year	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
BP Assumptions	473	520	569	596	600	600	602	619	611	611	625	629	7057
21/22	488	458	491	418	392	388	419	465	371	446	409	432	5177
Early Closures (GN,ROM) Nudge Theory	53	53	69	64	61	97	84	106	95	97	159	218	1156
Overall Total	541	511	560	482	453	485	503	571	466	543	568	650	6333

21/22 Performance

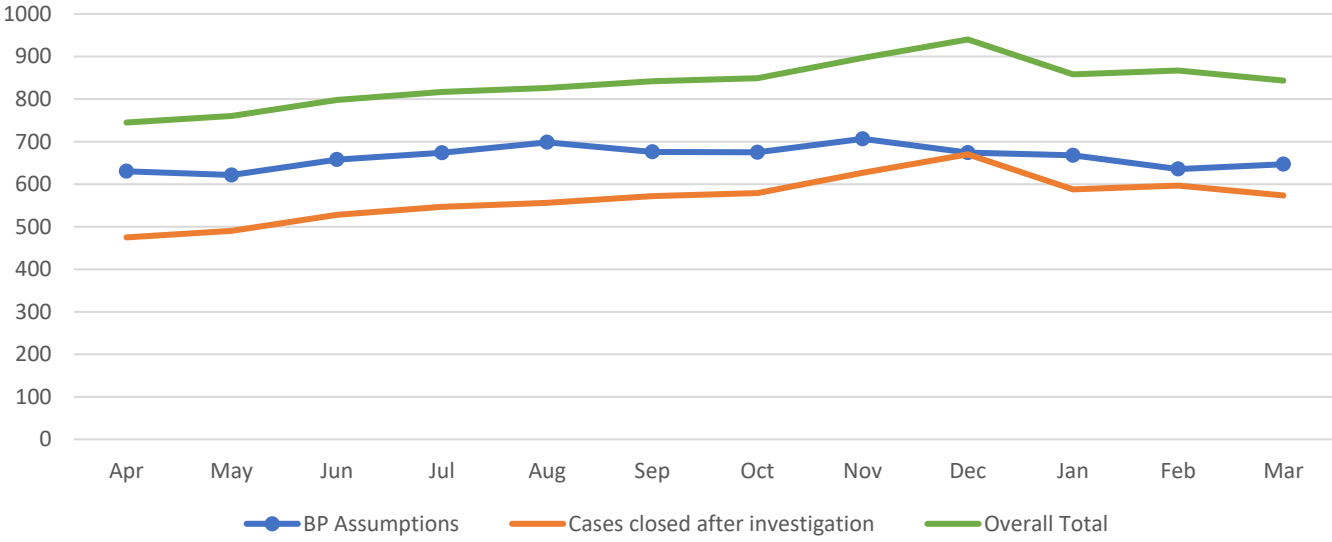


- In Month performance on new initiatives saw the best performance YTD with 159.
- FET have begun the ramp up in March 22 to reach the BP assumption for 22/23 of 270 per month
 - Established investigators achieved 5.26 productivity on investigative closures which is an increase on the yearly average of 5.15.
- GETi team has joined the newly formed FET to support the delivery of early closures, PAP proportionality and early proportionality. This will add confidence to the delivery of LeO's trajectories into 2022/23
- March Trajectory sees the team achieve higher than the BP assumption for the first time since April21
- 9% more cases closed with 29% less est resource when you compare 1st 6 months 21/22 to 2nd 6 months

Closures 22/23 Projected Year 2

22/23	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
BP Assumptions	630	621	658	674	698	676	675	706	674	668	635	647	7962
Cases closed after investigation	475	490	528	547	556	572	579	627	670	588	597	573	6801
Early Closures (GN,ROM) Nudge Theory	75	75	75	75	75	75	75	75	75	75	75	75	900
GET Investigator	41	41	41	41	41	41	41	41	41	41	41	41	492
Early Proportionality Closures	60	60	60	60	60	60	60	60	60	60	60	60	720
PAP Proportionality Closures	94	94	94	94	94	94	94	94	94	94	94	94	1128
Overall Total	745	760	798	817	826	842	849	897	940	858	867	843	10041

22/23 Performance

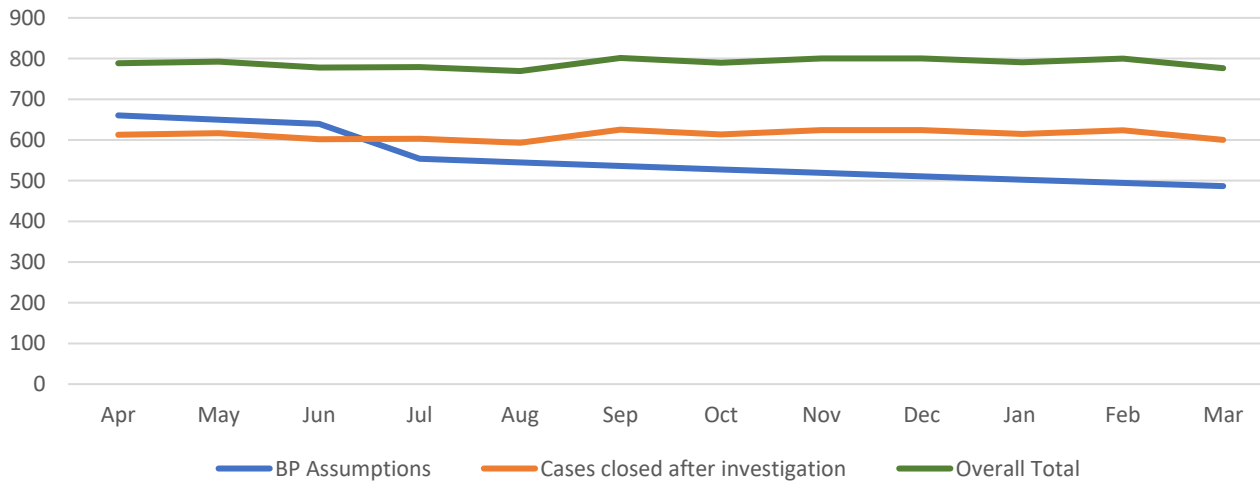


- Overall closures will include an adjusted reduction in productivity for BAU closures for the year as a result of investment in delivery of proportionality work.(27 closures per month)
- Operational teams will continue to drive the reduction of the PAP, increase closures and productivity. Early resolution by way of 'reasonable offer made' and 'guided negotiation' will be supported by a commitment to proportionality both in the back log and the front end.

Closures 23/24 Projected Year 3

23/24	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
BP Assumptions	660	650	640	554	545	536	528	519	511	502	494	486	6625
Cases closed after investigation	613	616	602	603	593	625	614	624	624	615	624	600	7353
Early Closures (GN,ROM) Nudge Theory	75	75	75	75	75	75	75	75	75	75	75	75	900
GET Investigator	41	41	41	41	41	41	41	41	41	41	41	41	492
Early Proportionality Closures	60	60	60	60	60	60	60	60	60	60	60	60	720
Overall Total	789	792	778	779	769	801	790	800	800	791	800	776	9465

23/24 Performance



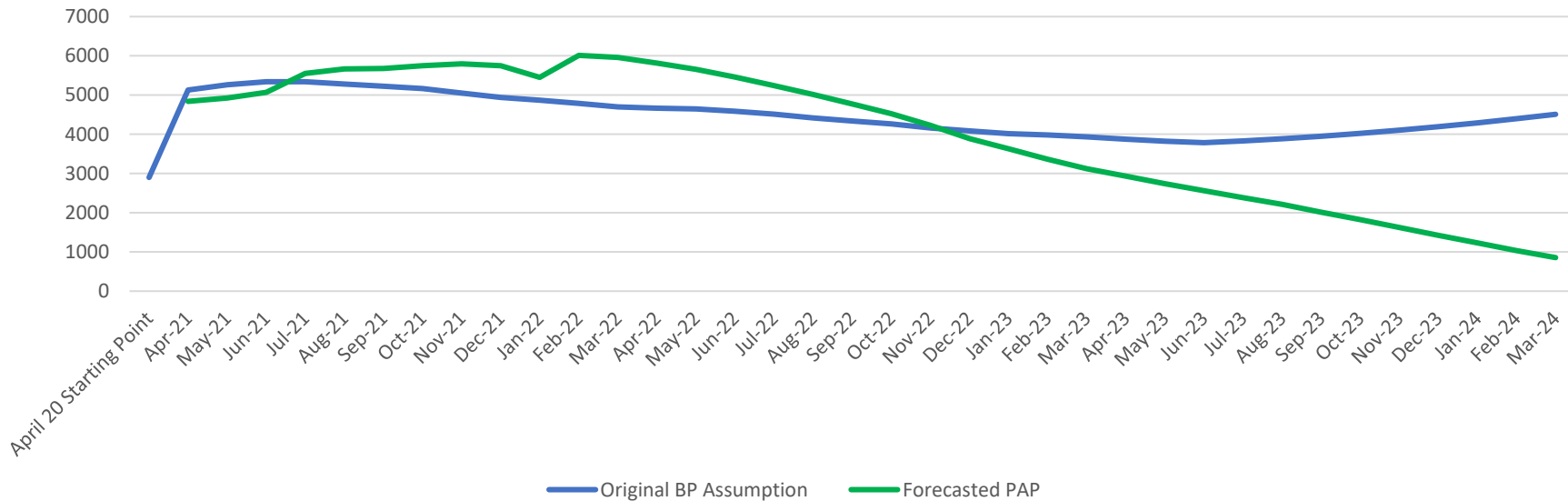
- Proportionality work in the backlog is expected to stop as the potential for eligible case from the PAP is exhausted at that point, however early proportionality work continues at 60 per month.
- Likely case scenario productivity remains @5.8.
- Closures will consistently exceed core demand
- Established split is now closer to 100% averaging at 73% with more controlled attrition and national recruitment campaigns

PAP Trajectory Y1-3

Year	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
21/22 BP Assumption	5129	5262	5340	5339	5282	5225	5166	5048	4939	4870	4785	4696
21/22	4840	4924	5068	5552	5664	5677	5748	5796	5747	5451	6010	5960
22/23	5815	5655	5457	5240	5014	4773	4524	4227	3887	3629	3362	3119
23/24	2930	2738	2560	2381	2212	2011	1821	1621	1421	1230	1030	854

- BP assumption takes into account original forecast of closures up to YE and then the addition of the forecasted closures from GN & ROM

Overall PAP Journey



- It does not take into proportionality closures
- Forecasted PAP numbers takes into account February end position and early closure cases, proportionality both in the PAP and at the front end
- From 22/23 closures exceeds core demand

Customer Journey Time

Full investigation times for low complexity cases have decreased slightly to 85 days and across all case complexities the investigation time remains at 96 days which is a 15% reduction since April 2021. With the introduction of the new initiatives, the team are investigating cases to a quicker resolution. Once all customer data has been received the early proportionality cases have been resolved in 37 days – a significantly improved experience for our customers.

Early resolution closures by 'Guided Negotiation' and 'Reasonable Offer Made' and more recently with Proportionality both in the PAP and at the front end have been successful in identifying cases which do not need to go through a full investigation process. YTD 938 cases have been closed without the need for full investigation. This is something we are building into our business-as-usual processes to continue improving customer wait times.

In February, customers with low complexity cases that were closed through the early resolution process experienced a 62% shorter CJT for low complexity cases in comparison to those that were fully investigated.

In the absence of the wait in the backlog, the investigation times in 2021/22 for low complexity cases averages 88 days which accounts for 67% of LeO's workload and averaged 85 day investigation time in month which is a 15% improvement from the beginning of the year.

22/23 will begin with an in post FTE over the budgeted FTE and in much stronger position than seen in 21/22. This supported with radical new approaches with the early resolution initiatives means the backlog begins to reduce. By the end of 2023 the backlog reduces by nearly 50%. This will have a direct impact on the customer journey time as customers will have less time to wait in the PAP before their case is managed by an investigator.

By March 2024, with an output of over 9000 closures and a PAP size of between 600 and 1000 cases customer journey time will reduce even further, with an average wait time of 145 days which is a 60% reduction to current timings.

Drivers for Performance

Drivers for Performance - for our People

Attrition & Recruitment – The aim is to gain better attrition and better planning on recruitment campaigns from a monthly review of the assumptions.

National recruitment TMP - New approach for recruitment that started in Nov2021 and successful candidates in place for March 2022. This has ensured the Operational team are at the required FTE number for the beginning of 22/23.

Onboarding - Focused support on new starters on closures to assist in growing the cohorts experience to an established status. This process is in its infancy but there is early signs from the July and September cohorts that this is working as closure rates for this cohort are above the expected Performance.

Long term sickness – focus on this area with stronger HR policies to manage absences more effectively. Good support from HR on other areas like mental health to support LeO employees who are experiencing difficulties.

Performance Variation - Continued management support to new starters and underperformers also support a strong finish to the year.

Drivers for Performance - New ways of working

Early Closures - looking at opportunities in the PAP to identify cases where ROM guided negotiation and Nudge theory applied result in swifter outcomes for customers.

GETI - Additional closures from the newly piloted GETI team at the front end. This will support the delivery of the forecasted 270 per month in 2022/23.

PAP Proportionality - Dedicated resource to identify opportunities in the backlog of cases that will have no outcome or no remedy

Early Proportionality - Dedicated resource identifies the most appropriate routeway for the resolution of new cases. That might be, Reasonable Offer Made, Guided Negotiation, closed firm action or into full investigation. At the end of February, 696 new cases had been identified for early resolution.

Investigative efficiency measures - Some of these measures include: Time savings from changes to Quality and Feedback form, Time savings from scope call planning at assessment and Engagement with our people to review working processes



Pipeline Initiatives

Hub Strategy
Outsourcing
Further review of Scheme rules

Drivers for Performance Outcomes

The improvement in LeO performance from now through to 2023/24 is driven by various areas of the assumptions that underpin operational delivery.

	21/22	22/23	23/24
Investigative closures	5177	6801	7353
Early Closures (GN,ROM,Nudge Theory)	1156	900	900
GETi	0	492	492
PAP Proportionality	0	1128	0
Early Proportionality	0	720	720
Total	6333	10041	9465

23/24 Outcome

- Investigative closures increase by 42% in comparison to 2021/2022 and 56% increase in comparison to 2020/2021
- Total closures increase by 49% in comparison to 2021/2022 and 100% in comparison to 2020/2021. This is a result of improved performance and new ways of working.
- PAP reduced to 854 which is an 92% reduction to the 2021/2022 year end position and 82% reduction to the 2020/2021 year end position.