

Meeting	OLC Board Meeting	Agenda Item No.	5
		Paper No.	144.4
Date of meeting	28 January 2026	Time required	30 Minutes

Title	Integrated Strategic Scorecard Q3 2025/26
Sponsor	Executive Team
Status	OFFICIAL
To be communicated to:	Members and those in attendance

Executive summary

This paper provides OLC Board with the LeO Integrated Performance Balance Scorecard dashboard for Quarter 3 (Oct - Dec) 2025/26. This report includes a summary of performance against agreed balanced scorecard key indicators, targets and RAG rating against agreed tolerance. The latest residual scores and updates on strategic risks and issues can be found in Appendix A.

Recommendation / action required

Board is asked to:

- **Note and comment** on the performance data for Quarter 3.

Equality Diversity and Inclusion

EDI implications	Yes
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The Strategic Scorecard provides a summary of reporting and performance across LeO, including in relation to LeO's customers and people. It therefore covers a wide range of areas with the potential to impact from an EDI perspective. These are considered routinely across business areas as appropriate.

Freedom of Information Act 2000 (Fol)
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Paragraph reference	Fol exemption and summary
N/A	N/A

Value for Money (VfM)

Our strategic scorecard ensures resources are used effectively by tracking key metrics on efficiency, case progression, and service quality. This allows us to identify improvements, reduce waste, and allocate resources where they have the greatest impact. By monitoring performance closely, we maintain transparency and demonstrate our commitment to providing high-quality services that represent excellent value for money.

Previous Quarter ▼

Narrative

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

PEOPLE			
Metric	Quarter Performance	vs Prev Qtr	Trend
Sickness, lost days per head	12.2	↓	
Staff attrition	11.0%	↑	
Staff turnover	13.1%	↑	
Investigator attrition	12.7%	↑	

VFM RESOURCES & GOVERNANCE			
Metric	Quarter Performance	vs Prev Qtr	Trend
Total unit cost	£2,358.69	↓	
Cost per early resolution outcome	£509.29	↑	
Cost per investigation outcome	£2,094.35	↓	
Forecast year end position	-1.0%	↑	
Number of strategic risks out of tolerance	0	↑	
% of strategic risks and issues rated critical/high	50.0%	↑	

OPERATIONAL PERFORMANCE & EFFICIENCY			
Metric	Quarter Performance	vs Prev Qtr	Trend
New customer complaints received	3,496	↓	
Complaints resolved	1,991	↓	
All Closures	3,931	↓	
Unallocated investigations	2,719	↑	
% of investigations that found poor tier-1 complaints handling	42.7%	↑	
Established investigator productivity	5.4	↓	
% of enquiries received that are premature	46.7%	↓	
% of new customer complaints received that are premature	5.0%	↑	

CUSTOMER EXPERIENCE			
Metric	Quarter Performance	vs Prev Qtr	Trend
Customer journey time - combined	256	↑	
Customer journey time - resolved in 60 days or less	34.8%	↑	
Customer journey time - resolved in 90 days or less	43.4%	↑	
Customer journey time - resolved in 180 days or less	52.8%	↑	
Customer journey time - resolved in 360 days or less	67.5%	↑	
Customer journey time - resolved in 540 days or less	87.1%	↑	
Customer journey time - resolved in 730 days or less	95.7%	↑	
Customer journey time - resolved in more than 730 days	4.3%	↑	
Combined wait times for unallocated investigations	218	↓	
Quality - reasonable outcome - early resolution	92.8%	↓	
Quality - reasonable outcome - investigation	95.8%	↑	
Quality - reasonable outcome - ombudsman	96.7%	↓	
Quality - reasonable service - early resolution	92.8%	↓	
Quality - reasonable service - investigation	73.3%	↑	
Quality - reasonable service - ombudsman	98.9%	↑	
CSat complainant: satisfied with outcome, satisfied with service	90%	↑	
CSat complainant: dissatisfied with outcome, satisfied with service	7%	→	
CSat service provider: satisfied with outcome, satisfied with service	92%	↑	
CSat service provider: dissatisfied with outcome, satisfied with service	29%	↓	
Average time in unallocated investigation queue for cases taken out	257	↑	



Narrative - Quarter three (October - December 2025)

PEOPLE

Quarter 3 saw a further fall in attrition figures from 2.0% to 1.6%. This was further reflected in the rolling year to date figures with an 11.0% attrition rate (a reduction of 1.7%-point) recorded for December 2025. Investigator attrition has fallen by 0.8%-points in Quarter 3 to 2.1%, which is also reflected in the rolling-year figures which have seen rates fall from 13.5% to 12.7%. Of note is the substantial fall in attrition for corporate services from 18.3% to 13.1% for the year.

Sickness absence levels have seen a slight increase to 12.2 days absence per employee in the rolling year to date – a 3.58-day improvement on the same time in 2024 where figures stood at 15.8 days. Whilst recording a fall on quarter 2 (48.2%), mental health remains the most prominent reason for absence, representing 39.5% of all sickness absence. However, this quarter has seen a substantial rise in the number of days absence related to mental health from 394 days in quarter 2 to 519 days. We will continue to closely monitor sickness absence levels across LeO.

VFM RESOURCES & GOVERNANCE

In Quarter 3, there has been an improvement in tolerance levels, with three risks demonstrating reduced scores and now positioned within or at optimal tolerance, these include Budget Variance, Staff Attrition and Leadership Resilience. However, the total number of issues has risen due to 'Failure to meet Business Plan improvements in customer experience,' which has now escalated to an issue as it has exceeded tolerance for several months and is related to other operational concerns. All issues remain classified as critical and high, primarily driven by sector demand, a 20% increase in new customer complaints, and the need to identify mitigation's for key person risk across business units in the coming months. Full details are provided in Appendix A.

The latest outturn forecast shows an underspend of £199,927 (1% of the overall budget), which remains within tolerance. However, ongoing challenges require close monitoring to ensure delivery against commitments and to mitigate the risk of further variance. The Executive remains firmly committed to maximising the use of available resources on strategic projects that will help ease budgetary pressures in 2026-27.

All unit cost measures rose in Quarter 3, primarily due to the additional resources allocated to Early Resolution and Investigations. These increases had originally been scheduled for Quarter 2 but were postponed pending ministerial approval of the 2025-26 budget. The higher unit costs also reflect a 2% reduction in total case closures during the period.

OPERATIONAL PERFORMANCE & EFFICIENCY

Quarter 3 continued to present Operational pressures. New customer complaints received rose to further unprecedented levels at 3,496, 28% above the forecast of 2,503 and representing a 12% increase on Quarter 1 demand. This sustained sector led demand highlights the critical need for ongoing resource support and transformational activities. Resolutions concluded below the likely scenario, closing 1,991 against an expectation of 2,223. This shortfall continues to be linked to the challenges at the initial stages of the process, compounded by increased sector led demand and external delays in recruitment. These factors limited the ability to transfer the required cases from General Enquiries to Early Resolution promptly. This impact is reflected in investigator productivity average performance of 5.4 cases per fte per month verses a target of 6, driven predominantly from a marked reduction of Early Resolution throughput. Early indications are that the Early Resolution Plus pilot will further support growth in this area. Unallocated investigations stood at 2,693, continuing to track artificially lower than forecast. All available resource, digital enhancements and process efficiencies are currently directed to support processing of complaints through the front end throughout the remainder of 2025/26 which may result in performance in this area outside of forecasted range. The percentage of investigations identifying poor tier-1 complaint handling reduced to 42.7% in Quarter 3. We will monitor this closely throughout Quarter 4. Premature enquiries accounted for 46.7% of new enquiries and 5% of new complaints were assessed as premature. Both figures indicate ongoing challenges in upstream complaint handling.


CUSTOMER EXPERIENCE

Customer journey performance in Quarter 3 remained broadly stable across the Investigations space. There is continued operational focus on progressing aged cases whilst sustaining adequate throughput. Combined customer journey performance for all investigation complexities stood at 256 days, demonstrating the impact of the operational activities above.

Subject to an inevitable degree of variance quarter on quarter, performance against quality and service metrics remains stable and strong. We are continuing to see a steady and pleasing improvement in performance against the quality service measures for our investigations cohort, which we are confident is a reflection of the work of the Quality team and Operations colleagues in acting on the learnings identified through quality assurance reviews. We noted a slight dip this quarter in performance against the outcome metric in the early resolutions cohort and will monitor performance in the area going forwards.

Customer satisfaction levels continue to reflect that customers' satisfaction with the service they receive from LeO is heavily influenced by the outcome of LeO's investigations - the work being done to review LeO's approach to customer satisfaction will help provide greater levels of insight and granularity in this area and, we believe, will help LeO find ways to improve overall levels of satisfaction irrespective of the outcome of an investigation .

Strategic issues and risks

Description	Risk Appetite	Q2 Issue Score	Q3 Issue Score	Tolerable Position	Trend	Controls and actions	Expected Completion Date	Q3 update	Strategic Objective (service Impact)
Issue									
SI.01 Unacceptable queue of cases	Open	16	16	Outside of tolerance		<p>Controls</p> <ul style="list-style-type: none"> PAP reduction activities Support to operational delivery provided by Team Leaders to investigators regarding performance and behaviors. Team Leaders to adopt risk based 121's / Side By Side's approach to ensure that the investment of Team Leaders time is proportionate to individual performance. Policy Framework <p>Actions</p> <p>Key Risk indicators have been established via the control review, which will involve the below. These need to be implemented to the risk system. -</p> <ul style="list-style-type: none"> Current ADS indicators. Change Advisory Board (CAB) Bulk Queue Induction % Hand to Grad Bay % Established Competency % Support & development % Junior Gade % Substantive % Quality % 	<p>Ongoing</p> <p>Ongoing</p> <p>End of Q1/26/27 ongoing (revised date)</p>	<p>LeO's ability to substantive reduce the volume of customers awaiting investigation is being hampered by sustained increases in demand. This trend has continued across Q3 and expected into Q4. New customer complaints continue to increase by over 20%. Though delayed by budget approval, Lean and AI initiatives design and implementation has started in Q3, emerging trends demonstrate success and plans to expand are underway and will be implemented throughout Q4 via the Lean Pilot.</p> <p>After a successful launch of a generative AI writing tool in service complaints, a project has initiated to incorporate a tool via an internal copilot version of this into operations for case and final decisions. This will be a pivotal project delivery throughout 2026/27. A separate evidence bundling project has moved to discovery phase, with a viable product being tested in Q4. This reduces one of the more labour and administrative tasks in the investigations process.</p>	Service

Strategic issues and risks

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Issue									
SI.02 Absorb increasing sector led demand	Open	20	20	Outside tolerance	↔	Actions <ul style="list-style-type: none"> Continued/ongoing monitoring of reduction in demand for service. Developing more strategic and effective engagement with regulators and the legal sector more widely, sharing LeO's insights to help prevent complaints at source. Operational-level relationship management to support this engagement, helping drive better first tier complaint handling and reduce demand for LeO. New suite of reporting currently in design/being compiled to act as early warning alert system . Further work on understanding Jurisdiction challenge volumes that are contributing to accepted case % as well as having increased resource impact. Developing Support and Development programme to enhance performance and reduce size of investigations, to reduce customer journey and create capacity for new investigations to start. Close collaborations between Ops and CE&I, using newly developed dashboard to easily identify knew and emerging demand for example motor finance mass claims. Working group set up between Ops and CE&I to share Insight to address with legal sector and regulators. 	Ongoing Ongoing Ongoing Ongoing Completed End of April 25/26 and ongoing Ongoing	LeO's ability to substantive reduce the volume of customers awaiting investigation is being hampered by sustained increases in demand. This trend has continued across Q3 and expected into Q4. New customer complaints continue to increase by over 20%. Though delayed by budget approval, Lean and AI initiatives design and implementation has started in Q3, emerging trends demonstrate success and plans to expand are underway and will be implemented throughout Q4 via the Lean Pilot. After a successful launch of a generative AI writing tool in service complaints, a project has initiated to incorporate a tool via an internal copilot version of this into operations for case and final decisions. This will be a pivotal project delivery throughout 2026/27. A separate evidence bundling project has moved to discovery phase, with a viable product being tested in Q4. This reduces one of the more labour and administrative tasks in the investigations process.	Service




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Risk									
<p>SI.03</p> <p>Failure to meet business plan improvements in customer experience</p>	Open	16	16	Outside tolerance	↔	<p>Controls</p> <ul style="list-style-type: none"> PAP reduction activities Support to operational delivery provided by Team Leaders to investigators regarding performance and behaviors. Team Leaders to adopt risk based 121's / Side By Side's approach to ensure that the investment of Team Leaders time is proportionate to individual performance. Policy Framework <p>Actions</p> <p>Key Risk indicators have been established via the control review, which will involve the below. These need to be implemented to the risk system. -</p> <ul style="list-style-type: none"> Current ADS indicators. Change Advisory Board (CAB) Bulk Queue Induction % Hand to Grad Bay % Established Competency % Support & development % Junior Gade % Substantive % Quality % 	<p>Ongoing</p> <p>Ongoing</p> <p>End of Q1 2026/27/Ongoing (revised)</p>	<p>LeO's ability to substantive reduce the volume of customers awaiting investigation is being hampered by sustained increases in demand. This trend has continued across Q3 and expected into Q4. New customer complaints continue to increase by over 20%. Though delayed by budget approval, Lean and AI initiatives design and implementation has started in Q3, emerging trends demonstrate success and plans to expand are underway and will be implemented throughout Q4 via the Lean Pilot.</p> <p>After a successful launch of a generative AI writing tool in service complaints, a project has initiated to incorporate a tool via an internal copilot version of this into operations for case and final decisions. This will be a pivotal project delivery throughout 2026/27. A separate evidence bundling project has moved to discovery phase, with a viable product being tested in Q4. This reduces one of the more labour and administrative tasks in the investigations process.</p>	Service


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Issue									
SI.04 Key Person Dependency (Single Point of Failure)	Open	20	20	Outside tolerance	↔	<u>Actions</u> <ul style="list-style-type: none"> New HR System Implementation of Business Unit risks of each Business area showcasing role criticality 	Q3 26/27 Q4	The residual scoring has remained unchanged since the issue was created. The Enterprise Risk Manager is responsible for defining business unit risks that will feed into the overarching strategic issue, this will be completed by Q4. A new HR system is currently in the procurement phase with a view onboard with a new supplier by Q3 26/27 and is expected to include functionality for role coverage and provide data on role criticality.	Service


Strategic issues and risks

Description	Risk Appetite	Q2 Risk Score	Q3 Risk Score	Tolerable Position	Trend	Controls and actions	Expected Completion Date	Q3 update	Strategic Objective (service Impact)
Risk									
SR.01 Leadership resilience	Cautious	20	8	Within tolerance		<p>Actions</p> <ul style="list-style-type: none"> • Clear communication around Executive or Management Team movements and succession planning • Enhancing effective succession planning including as part of future people strategy. • Support for Executive Team and individual resilience and development • New HR System 	<p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p> <p>Q3 26/27</p>	<p>The residual risk rating has significantly reduced following the appointment of the Chief Ombudsman, who will formally take up the role in February. Interim Chief Executive positions will remain in place for an additional month to ensure a smooth transition and embedding process. Additional acting up positions have been recruited to backfill the substantive roles of the Interim Chief Executives until end of March 2026. Executive team is now at full capacity providing resilience and continuity. This has strengthened both operational capability and governance. The Executive Team, supported by the OLC Board, remains focused on succession planning, retention strategies, and leadership development to ensure continuity and organisational stability.</p>	Service


Strategic issues and risks

Description	Risk Appetite	Q2 Risk Score	Q3 Risk Score	Tolerable Position	Trend	Controls and actions	Expected Completion Date	Q3 update	Strategic Objective (service Impact)
Risk									
SR.02 Budget Variance Against Forecast	Minimal	12	8	Within tolerance		<p>Controls</p> <ul style="list-style-type: none"> Monthly Financial Budget Reviews <p>Actions</p> <ul style="list-style-type: none"> Link controls from Business Unit Risk Potentially more key risk indicators following linkage of Business Unit Risks 	Ongoing Q1 26/27	The most recent outturn forecast indicates an underspend of £199,840 (1% of the overall budget), which remains within tolerance. However, robust safeguards are required to prevent further variance. Following the Board Workshop, the Executive is reviewing the recommendations and considering options to utilise the underspend to support research and exploratory work for the external transformation project. The residual risk rating has been reduced, with scoring adjusted to reflect the revised risk and likelihood.	Service

Strategic issues and risks

Description	Risk Appetite	Q2 Risk Score	Q3 Risk Score	Tolerable Position	Trend	Controls and actions	Expected Completion Date	Q3 update	Strategic Objective (service Impact)
Risk									
SR.03 Accommodation Risk	Cautious	8	8	Within tolerance		<p><u>Actions</u></p> <p>Continue work and engagement with GPA to progress LeOs office space allocation in GPA Hub 3. Meeting scheduled in December 2025 for a progress update.</p>	Ongoing	<p>The latest update from GPA confirms that they are not yet able to provide an updated Birmingham Accommodation Strategy as planned. Several activities are ongoing or completed, but critical information is still outstanding. If GPA confirms no public estate is available, staying in current accommodation is possible but must be revisited closer to the time. Any decision to stay at Edward House must be supported by an options paper demonstrating that alternatives have been explored and that staying offers best value for money, factoring in all associated costs (dilapidations, dual leases, setup).</p> <p>Work to review accommodation options, conduct a market search, make decisions, negotiate leases, and manage moves/dilapidations should start at least two years before the end of the current lease (i.e., by October 2027 for a lease ending October 2029). An internal planning meeting is in the diary for early Jan 26 to map out critical dates for lease options.</p>	Service

Strategic issues and risks

Description	Risk Appetite	Q2 Risk Score	Q3 Risk Score	Tolerable Position	Trend	Controls and actions	Expected Completion Date	Q3 update	Strategic Objective (service Impact)
Risk									
SR.04 Failure to deliver new impact objective	Open	12	12	Within tolerance		Actions <ul style="list-style-type: none"> Resource Planning: We are recruiting to fill remaining vacancies. The Corporate Publications & Content Manager and plans are in place to update the role profile for CEI team's remaining vacancy and plan to advertise that role in Q4. Stakeholder Engagement Strategy: Early Insights Dashboard:. 	Q3-Q4 Ongoing	<p>We maintained forward momentum in our programme of learning and insight work in Q3. We published our second set of Public Interest Decisions this quarter, continuing LeO's commitment to transparency and driving improvements in legal service standards. We also published our latest Spotlight insight article – on probate. A backdrop of resource pressures meant that we needed to make pragmatic decisions about some key outputs that compromised their impact. For example, a bottleneck of deliverables meant we published our 2024/25 Annual Complaints Report, and data for the first two quarters of 2025/26, alongside our business plan and budget consultation – limiting media pick-up.</p> <p>We are continuing to engage actively with stakeholders across the breadth of our work. In September, we presented our plans for evolving how we engage key stakeholders on our impact objective to the OLC Board, and will be implementing this approach over the final quarter of 2025/26 and into 2026/27. We co-ordinated the leaving and joining communications for Paul McFadden and Phil Cain, issued a further edition of LeO News – our quarterly newsletter, and launched our 26/27 Budget and Business Plan consultation and analysed stakeholders' feedback. We attended a range of sector conferences to share insight, make connections and be visible.</p> <p>We continued to experience resource pressures in Q3. We have not been able to draw on the 2025/26 budget provision for additional insight resource within operational teams as expected, and the delayed levy approval by the MoJ also put on hold a number of recruitment campaigns to replace leavers in the CEI team. However, in Q3 we recruited maternity cover for one of our insight & engagement officers, and advertised for a Corporate Publications & Content Manager (and have subsequently filled the vacancy). We have a further officer-level vacancy to fill to bring us up to full complement.</p>	Impact



Strategic issues and risks

Description	Risk Appetite	Q2 Risk Score	Q3 Risk Score	Tolerable Position	Trend	Controls and actions	Expected Completion Date	Q3 update	Strategic Objective (service Impact)
Risk									
SR.05 Staff Attrition – Overall Attrition	Open	12	8	Optimal	↓	<p>Controls</p> <ul style="list-style-type: none"> HR portal Recruitment and onboarding. End to end review of staff recruitment Development of a new HR system <p>Actions</p> <ul style="list-style-type: none"> Current ADS indicators. Review of HR portal Annual online mandatory learning statistics. 	<p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p>	<p>The initiatives implemented to help reduce the excessively high attrition have demonstrated the impact sought, with overall attrition continuing to fall, standing at 11.4% in November 2025 against a target of 19%.</p> <p>We will continue to monitor the situation, ensuring that the approach to cultural change continues to support the engagement of colleagues and reduces the drivers for leaving.</p>	Service

Strategic issues and risks

Description	Risk Appetite	Q2 Risk Score	Q3 Risk Score	Tolerable Position	Trend	Controls and actions	Expected Completion Date	Q3 update	Strategic Objective (service Impact)
Risk									
SR.06 - Enterprise Strain from Transformation Demands <i>Formally known - Operational Strain from Transformation Demands</i>	Open	9	9	Optimal		Development of transformation risks at the business unit level, ensuring that each unit-specific risk feeds into the overarching strategic transformation risk.	Q3	<p>The transformation risk has been revised to better reflect the scope of change across the Legal Ombudsman as a whole. Previously, the risk focused on operational and IT disruption arising from digital and operational improvement plans, where staff were required to design, build, test, and implement changes alongside their substantive roles.</p> <p>The updated risk now recognises that transformation is organisation-wide, encompassing digital, operational, governance, and people change. This broader perspective acknowledges that multiple functions—including Operations, IT, Policy, Finance, HR, and Quality Assurance—will be involved in delivering significant change while maintaining business-as-usual activities. The expanded description highlights potential impacts on service quality, timeliness, staff wellbeing, and the ability to meet regulatory and strategic commitments.</p>	Service