

Meeting	OLC Board	Agenda Item No. Paper No.	13 125.9
Date of meeting	25 January 2023	Time required	15 minutes

Title of paper	Scheme Rules Review – progress update
Presented by	Steve Pearson

Executive summary
<p>The attached paper provides a summary of the progress to date of the Scheme Rules Review project and talks to the work the remains to be completed for go live at the start of April.</p> <p>Appendix 1 of the paper contains an update on the range of proposed metrics that will enable LeO to measure the impacts of the new Scheme Rules on levels of demand but also across a range of different indicators.</p> <p>We remain on course to go live with the new Scheme Rules from 1 April 2023.</p> <p>As outlined in the paper a significant amount of work has been delivered across all the various workstreams. Although more work is required before go live, we believe that the plan which we are working to (with the support and oversight of the projects team) will enable us to deliver the changes and mitigate the risk of adverse implications on operational delivery.</p> <p>As stated previously, we have committed to implementing all the changes at the same time rather than delivering them in stages. Although this means more work and a greater risk of impact it does also mean that we can make best and most efficient use of our resources.</p> <p>We are aware of the significance of these changes to our Rules and the potential for them to have an impact on our customers’ access to justice. One of the key conditions to the support for these proposals from our external stakeholders, the LSB and Board itself was the need to be able to monitor the impacts of the changes. As a result, we have worked hard to be able to capture granular information about, and report on, how the changes are being used, how they are affecting, whether the impacts are aligned with our projections or whether they are having a disproportionate impact on any group(s) of our customers is key.</p> <p>We will continue to keep Board updated on progress as we move towards April 2023.</p>
Recommendation/action required
Board is asked to note the update outlined in the attached paper and to comment on the proposed suite of measures/ indicators.

Scheme Rules – Programme Overview – January 2023

Background

Moving from Q2 into the early part of Q3 the primary objective for the Scheme Rule programme has been to finalise the scope for the four distinct projects outlined and move the programme into the delivery phase. To finalise the scope a number of cross functional, collaborative meetings were held to review proposals and outline options for the remaining development work, associated process changes and problem resolution. These meetings enabled the required work to be defined and sized and the scopes completed for all four project areas:

- Time Limits
- 5.7 Changes
- Ombudsman Decision
- Minor Changes

The main complexities centred around the mapping out of the ombudsman decision process through the case management system ensuring both clarity and transparency in the revised workflows. This was resolved and approved with the cross functional team.

As discussed previously the programme management function operates within a designated framework therefore all scopes completed a project gate, allowing the Executive Team to review the outlined work, risks and issues and approve the proposed direction. The gates also include detailed project plans, resource views, EQIAs, DPIAs and RACIs to ensure required governance and assurance is met and to track deliverables against desired timelines.

The main focus for Q3 was the delivery phase of the Programme i.e., the progression of the work outlined. This work is subdivided into key streams and the management centred around weekly project meetings and status reporting alongside monthly PCBs, Programme Boards and ongoing reporting to the Executive.

Case Management System

This workstream is fundamental to project delivery, as LeO's ability to use the revised Scheme Rules and track and record the impacts of those changes (whilst also winding down cases under the old Scheme Rules) is entirely dependent upon the ability to integrate the new Rules into the case management system whilst retaining the existing functionality.

The CMS development work which included the creation of new fields on the system, a number of these now mandated for the user with distinct drop-down menus to control data entry, new workflows, and new and updated processes was undertaken and completed entirely in-house during Q2,

These changes were applied and initially tested in the development environment and then moved to the test environment for rigorous User Acceptance Testing. All testing followed clear protocols, using cases worked through from initial contact, assessment, investigation and closure with all outcomes, bugs logged in trackers for review and resolution. The

trackers and test results were circulated to the project team and any required fixes made and re-tested.

The testing did not raise any significant issues and all test cases were completed and the development work signed off.

Website

The key element of the changes to the website in relation to the Scheme Rules was an amendment to the Eligibility Checker.

This involved updating the questions on the Eligibility Checker in relation to our new Time Limits provisions. This work has been completed and tested and is ready to be deployed at launch. We have also updated the Eligibility Checker to enable us to capture anonymised EDI data at the earliest stage of our process, when a potential customer first approaches LeO – our enhanced reporting (below) will enable us to correlate the anonymous EDI data with the stage when a customer drops out of the process.

We will also be updating the website with new factsheets and guidance (below) to provide customers with up to date information on our new scheme rules and what they mean for their specific complaint.

Operations

The operations workstream comprises of the review, creation and update of operations processes, letters, internal and external guidance, factsheets, training materials and also the delivery of the necessary training. All required work has been reviewed throughout Q2 and the changes scoped, and resource allocated.

All new letters and updates to website guidance were completed by the end of Q3 with the review and approval scheduled in early Q4. All further changes to existing letters, guidance, factsheets are planned for completion in January with approval and sign off scheduled for February.

A training schedule has been developed which outlines a plan for training both existing and new staff on the updated processes and workflows in preparation for launch. The training will need to be staggered to minimise any impact on business-as-usual activities which has been considered in the outline.

Quality

As we look to complete the work to implement the Scheme Rule changes, the maintenance of quality standards is absolutely paramount. Through Q2 the involvement of the quality team has been essential. Each Project Brief document (inclusive of scope/timelines/success criteria/benefits and outcomes etc.) has been reviewed by the quality team and any concerns and questions raised. Where appropriate changes have been made to the processes to ensure the adherence to the required quality levels is maintained.

The required changes to the existing quality assurance framework have been scoped out and will be finalised through Q4 to ensure that they can be deployed from Q1 and operate successfully alongside existing metrics.

Data

Supporting both the CMS development work and the data requirements for impact assessment and quality measurement is the data warehouse. The data warehouse stores all LeO case management data, and it is from here reporting is generated. The new fields created in CMS, to support the scheme rule changes, will need to be added to the data warehouse, to both existing and new tables the design of which will need to be considered to maximise data processing efficiencies.

This work has been planned through January alongside the update of any automated data extracts that source data from the warehouse.

Reporting

In parallel work has progressed to outline the reporting requirements for the Scheme Rule programme. This includes both internal reporting for quality and impact assessment and external reporting for key stakeholders.

The approach taken has been to ensure reporting is viable at the smallest possible granularity and we are able to extract and store the data in the data warehouse at this level. From this the required aggregations and dashboards will be created in Power BI as defined collaboratively with the desired target audience.

Of critical importance is the monitoring of any ED&I impact of the Rules changes. The collection of ED&I data much earlier in the process than current, through responses to our Eligibility Checker (above), will enable us to report on the impact of the changes at the earliest possible opportunity. This work involved in the collection and analysis of this new data has been scoped, presented at a gate, and approved by the Executive team to progress.

The development work has been completed in Q3 with the plan to go live with this functionality in February. Although this data will be anonymised it provides LeO with the required insight to assess any impact on protected groups and also allows the benchmarking of any data collected to be completed prior to the scheme rules implementation in April.

Communication

The internal and external communications strategy work is ongoing. Throughout Q3 internal scheme rules champions have been appointed and sessions held to communicate and explain the scheme rule work and implementation plan. The champions will then look to transfer this knowledge to the operations teams and answer any issues or concerns raised over Q4. Articles have been published in News in Brief and updates communicated in team meetings to ensure transparency of the programme.

The external communications work has also been progressed. We have attended a large number of sector specific events and conferences and have presented to those audiences on the upcoming changes to the Scheme Rules. We have written out the all the key regulators with a detailed explanation of the changes, which we have asked them to communicate to their members directly on our behalf. We have written a number of articles in the legal press outlining the changes to the Rules. Moving forwards, between now and

the eventual go live, we have a social media campaign planned on the upcoming changes, we have drafted and will be circulating a set of FAQs on the changes (which Legal Futures have already agreed to publicise for us), and which we will be sharing with the regulators for wider dissemination and we will be finalising the update all of our external guidance which will be uploaded on our website and communicated to the sector both directly and (again) through our regulator contacts.

Success Criteria

The measurement of the programmes' success criteria and the required impact assessments have been outlined and the data required defined.

Next steps

Moving into the final quarter of this programme the priority is to complete the work outlined, in the timescales planned and manage any risks and issues and also to map out and deliver a detailed deployment plan. The deployment of these changes and the launch plan for this work is both critical and significant to the successful programme delivery and will need to be managed carefully and effectively to ensure the efforts to date transfer into an on time in full programme delivery.

Appendix 1

Scheme Rules – reporting

Data collection

Eligibility Checker

We have updated our website so that we will request anonymous ED&I data as soon as a customer accesses the eligibility checker on our website. We are now able to record how our eligibility checker is used. The checker has a number of 'gates' and if a customer fails to pass one of those 'gates' or decides to withdraw from our process, we can record the stage at which they dropped out. (This will be quantitative data only and will not be attributed to a specific individual).

Case Management System

We request ED&I data for all cases on our case management system and the data we receive in response is linked to the specific case (albeit in a format that is not accessible by operational staff).

We have revised our case management system to enable us to track the usage of the new Scheme Rules. We will be able to record:

- The level of usage of the new scheme rules – whether the application was successful or not.

Where the new Scheme Rules relate to the exercise of ombudsman discretion, we will collect data around:

- The nature of that discretionary decision
- Whether discretion was / wasn't applied

Within the case management system, we also capture a wide range of additional data including:

- Area of Law
- Upheld complaint types
- Types of remedy
- Case age at closure
- Stage of process when a complaint closed (FET/BAU)

Other data

Outside the case management system, we record data relating to:

- Quality Assurance checks
- Customer satisfaction
- Legal Challenges
- Service Complaints
- Media monitoring

Through the use and cross referencing of these various sources of data we will be able to provide extensive insight as to the impacts of the new Rules at a high level for OLC and external stakeholder assurance . We will also be able to drill down into the high level data to provide internal management level reporting on the day to day impacts of the changes and understand how/if those changes impact our higher level external metrics.

Reporting

External Reporting

The table below outlines the high level of data that we propose reporting on to OLC and external stakeholders on a quarterly basis after the launch of the new scheme rules on 1 April. (Because the testing of the changes to the case management system has only just been finalised and because we have not as yet built the reporting functionality it is not possible to provide a wireframe visualisation of the appearance of this reporting).

We are committed to provide OLC, LSB and other stakeholders with assurance that we are able to monitor and are sighted on all the implications and impacts of the Scheme Rules changes.

External Reporting - Quarterly							
		Stage of application	Ground for dismissal	Approve / reject dismissal	Closure code	Proportion	compare to old scheme rules
EDI Data	Eligibility Checker	✓				✓	
	Out of time					✓	✓
	Discretion to extend time limit: SR 4.7			✓		✓	✓
	Discretion to dismiss: SR 5.7		✓	✓		✓	✓
	Ombudsman decision required: SR 5.19			✓		✓	✓
	Closed following case decision: SR 5.20			✓		✓	✓
	Service Provider challenge: SR 5.4		✓	✓		✓	✓
EDI data	Cases accepted (total)					✓	✓
	Cases resolved (total)				✓	✓	✓
	Cases dismissed (total)		✓			✓	✓

Eligibility checker

In terms of customers accessing our eligibility checker, we will report in quantitative terms on:

- The number and ED&I split of prospective customers who access our eligibility checker.
- The proportion and ED&I split of those customers who pass all gates and are considered eligible.
- Whether a disproportionately high or low number of any group(s) of customers drop out at any and each stage.

We have not recorded or reported this data historically so do not have a comparator, but we will monitor the data on an ongoing basis to identify any significant variances.

Casework

In terms of customers whose cases are added to our case management system, we will report on the following:

Across all of our new / amended scheme rules we will be monitoring our data to identify whether the Rules and the application of ombudsman discretion are disproportionately impacting any group(s) of our customers.

We will monitor whether:

- Our new time limits provisions are disproportionately impacting any group(s) of our customers.
- There is a disproportionately higher or lower incidence of complaints being put forward for dismissal under the new SR5.7 grounds for any group(s) of our customers.
- Any group(s) of our customers are disproportionately more or less likely to have their complaints closed under SR 5.20.

In all the above instances, the outcome is dependent upon the exercise of Ombudsman discretion. It is important for us and our stakeholders to retain confidence that our ombudsmen are applying that discretion consistently across all groups of our customers and to be able to identify if the exercise of discretion in any instance is likely to be impacted by the characteristics of any group(s) of our customers.

We will therefore monitor whether any group(s) of our customers are disproportionately more or less likely to:

- Have their complaints dismissed by an Ombudsman under the new SR 5.7 grounds.
- Have an Ombudsman reject a request to dismiss their complaints under the new SR 5.7 grounds.
- Have an Ombudsman exercise discretion to extend time limits
- Have an Ombudsman reject the request to extend time limits
- Have an Ombudsman decide that they have or have not raised substantive comments on an investigator's case decision

We will also monitor whether for any group(s) of our customers it is more or less likely that their service provider will request an ombudsman to consider whether the complaint should be closed as being out of time or dismissed under SR 5.7.

We will also be reporting on whether:

- The overall number of cases being accepted changes as a result of the new scheme rules (particularly the time limits provision)
- The way in which cases are resolved and the proportion of cases that are resolved in a particular way changes
- The proportion of cases that are dismissed by an Ombudsman and the basis / ground upon which they are dismissed changes

and, in each instance, identify whether the change is disproportionately impacting any group(s) of our customers.

Where possible we will compare that data for cases subject to the new Scheme Rules to applicable data under the old Scheme Rules and flag any significant variance with historic profiles. We will also track whether the impact of any of these changes on any group(s) of

our customers shows significant variance over time and report those changes on an exceptional basis.

Internal Reporting

Internal Reporting																	
		Stage of complaint	Ground for dismissal	Approve / reject dismissal	Closure code	Proportion compare to old scheme rules	Decision Type	Stage of process	Area of Law	Case complexity	Age at resolution	Case fee charged y/n	Service standard	Remedy Type	Quality Assurance	Customer Satisfaction	Media monitoring
EDI Data	Eligibility Checker	✓				✓											
	Out of time					✓	✓	✓	✓	✓					✓		✓
	Discretion to extend time limit: SR 4.7			✓		✓	✓	✓	✓	✓					✓		
	Discretion to dismiss: SR 5.7		✓	✓	✓	✓	✓	✓	✓	✓			✓	✓	✓		✓
	Ombudsman decision required: SR 5.19			✓		✓	✓		✓	✓			✓		✓		
	Closed following case decision: SR 5.20			✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓
	Service Provider challenge: SR 5.4		✓	✓		✓	✓	✓	✓	✓					✓		
EDI data	Cases accepted					✓	✓		✓	✓							✓
	Cases resolved				✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Cases dismissed		✓			✓	✓	✓	✓	✓			✓	✓	✓		✓
	Legal Challenges					✓		✓	✓	✓	✓		✓	✓			✓
	Service Complaints					✓		✓	✓	✓							✓

As previously noted, we are able to report and monitor the impact of the new scheme rules at a more granular level. The table above identifies the level of granularity that we could report to when seeking to fully understand the drivers behind variance in any of our external metrics. This level of insight and analysis will enable us to identify where to focus our efforts and resource if interventions are required. We do not intend reporting at this level of granularity to OLC and external stakeholders on a regular basis.

We also have the ability to report on the findings of our quarterly quality assurance framework which focusses, in part, on whether a fair and reasonable outcome has been achieved across a sample of casework. We can focus our quality assurance efforts on decisions made under the new Scheme Rules provisions to provide assurance that the rules are being applied fairly and consistently. Likewise our customer satisfaction surveying and media monitoring can provide LeO with valuable insight into the way our customers perceive the Scheme Rules changes.

Finally, LeO collates data, outside of our case management system, on cases where ombudsman decisions have been the subject of legal challenges and also where customers raise complaints about the level of service they have received from LeO. We will monitor any changes in number or profile of legal challenges and service complaints to understand whether they are or can be linked to the changes in the Scheme Rules.