Meeting	OLC Board Meeting	**Agenda Item No**.	4
		Paper No.	142.3
Date of meeting	22 October 2025	**Time required**	20 Minutes

Title	**Integrated Strategic Scorecard Q2 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 2 (Jul - Sept) 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 2.

Equality Diversity and Inclusion	
EDI implications	**Yes**
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 (FoI)	
Paragraph reference	**FoI exemption and summary**
N/A	N/A
Value for Money (VfM)	
N/A	

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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	11.8	⇑	
Staff attrition	12.7%	⇑	
Staff turnover	14.8%	⇑	
Investigator attrition	13.5%	⇑	

VFM RESOURCES & GOVERNANCE

Metric	Quarter Performance	vs Prev Qtr	Trend
Total unit cost	£2,193.62	⇑	
Cost per early resolution outcome	£560.54	⇓	
Cost per investigation outcome	£1,792.09	⇑	
Forecast year end position	-1.3%	⇓	
Number of strategic risks out of tolerance	6	⇓	
% of strategic risks and issues rated critical/high	77.8%	⇑	

OPERATIONAL PERFORMANCE & EFFICIENCY

Metric	Quarter Performance	vs Prev Qtr	Trend
New customer complaints received	3,305	⇓	
Complaints resolved	2,021	⇓	
Unallocated investigations	2,979	⇑	
% of investigations that found poor tier-1 complaints handling	49.3%	⇓	
Established investigator productivity	5.7	⇓	
% of enquiries received that are premature	43.3%	⇓	
% of new customer complaints received that are premature	6.4%	⇑	

CUSTOMER EXPERIENCE

Metric	Quarter Performance	vs Prev Qtr	Trend
Customer journey time - combined	285	⇓	
Customer journey time - resolved in 60 days or less	33.5%	⇓	
Customer journey time - resolved in 90 days or less	37.6%	⇓	
Customer journey time - resolved in 180 days or less	45.7%	⇓	
Customer journey time - resolved in 360 days or less	60.8%	⇑	
Customer journey time - resolved in 540 days or less	84.3%	⇑	
Customer journey time - resolved in 730 days or less	94.9%	⇑	
Customer journey time - resolved in more than 730 days	5.1%	⇑	
Combined wait times for unallocated investigations	178	⇑	
Quality - reasonable outcome - early resolution	100.0%	⇑	
Quality - reasonable outcome - investigation	87.5%	⇓	
Quality - reasonable outcome - ombudsman	98.0%	⇓	
Quality - reasonable service - early resolution	100.0%	⇑	
Quality - reasonable service - investigation	72.8%	⇑	
Quality - reasonable service - ombudsman	97.0%	⇓	
CSat complainant: satisfied with outcome, satisfied with service	88%	⇓	
CSat complainant: dissatisfied with outcome, satisfied with service	7%	⇑	
CSat service provider: satisfied with outcome, satisfied with service	83%	⇓	
CSat service provider: dissatisfied with outcome, satisfied with service	41%	⇑	
Average time in unallocated investigation queue for cases taken out	275	⇑	

This quarter has not yet been published externally

Select a metric above and then click here to drillthrough to its detail page

Data Extract

Narrative – Quarter two (July – September 2025)

PEOPLE

Quarter 2 saw a 0.9%-point fall on Quarter 1 in overall attrition levels (2.9% to 2.0%). This was further reflected in the rolling year to date figures with a 12.7% attrition rate for Quarter 2 - a 0.7%-point fall on Quarter 1 (13.4%). A similar pattern for Quarter 1 and Quarter 2 attrition was reflected in the 2024/2025 data. Whilst Investigator attrition has seen a 0.1%-point rise on Quarter 1 (2.8% to 2.9%), the rolling year to date figures reflect a fall in attrition from 14.1% in Quarter 1 to 13.5% in Quarter 2 - a 1.3%-point fall on the same period last year (14.8%).

Sickness absence levels continue to fall. At 11.8 days absence per employee in the rolling year to date - our lowest recorded rate since July 2023 (11.5 days) - this sits just outside our target of 11 days. We currently have nine colleagues on long term sick leave. Mental Health remains the most prominent reason for sickness absence. Whilst representing a smaller percentage of absence in Quarter 2 (48.2%), than that reported in Quarter 1 (50.6%), we have seen an increase of 19.36% between these periods in the number of days attributed to mental health absence - 110 days in Quarter 1 compared to 131.3 days in Quarter 2. Despite this, the figures remain substantially lower than those of Quarter 2 in 2024/25 (a fall of 35.73%) where 204.3 days were attributed. We continue to closely monitor sickness absence levels across LeO, taking appropriate actions to either manage absences and/or support a return to the workplace.

VFM RESOURCES & GOVERNANCE

In Quarter 2, there was an uptick in both issues and risks, including the addition of a key person issue and a digital transformation risk identified after the July Board workshop. The accommodation risk score reduced because the GPA recommended that all intended occupants remain in situ, with the lease secure until 2029. Most strategic issues and risks remain high or critical, mainly due to sector-driven demand, budget delays leading to an underspend position, and leadership resilience as interim arrangements are established. On a positive note, one new risk is now in an optimal position and three others are within tolerance, marking a slight improvement compared to Quarter 1.

The forecasted outturn at the end of Quarter 2 shows a £257,467 underspend, representing a -1.29% budget variance, outside the ±1% tolerance threshold. This variance is primarily due to higher-than-expected investigator leavers in March 2025, at the end of 2024/25. Mitigating recruitment in May 2025 was less effective than anticipated, with 4.4 of 12 FTE offers declined. Additionally, Quarter 1 saw increased turnover within the General Enquiries team. The underspend was further impacted by a pause on new operational expenditure from late June to 2 September, pending ministerial approval of the 2025/26 budget. This spending hold is reflected in reduced cost-per-unit measures across the board, except for the Early resolution measure, where resources were intentionally redirected from Investigations to manage the unprecedented, increase in demand and to improve the flow of cases into unallocated investigations.

OPERATIONAL PERFORMANCE & EFFICIENCY

Quarter 2 presented sustained demand pressures, with new customer complaints rising to 3,305, 8% above Quarter 1 and significantly over the 'likely forecast' of 2,503. This persistent sector-led demand highlights the need for ongoing resource support and digital transformation at the front end to ensure a continuation of satisfactory service.
Resolutions (at 2,021 in the quarter) continued to perform within the business plan ranges, albeit at the lower end. This reflects delays in budget approval affecting the recruitment timetable into General Enquiries, with a resulting bottleneck of cases flowing through to Early Resolutions. This has temporarily impacted investigator productivity, which averaged 5.7 cases per FTE per month versus a target of 6.0.
As resource and process efficiencies in the shape of a new automated triage system embed, with approximately 1,000 delayed cases expected to move into this area, we anticipate that performance in Early Resolutions will deliver above our 'likely' scenario throughout Quarter 3 and Quarter 4, with predicted performance to remain on track for 8,900 cases.
The percentage of investigations identifying poor tier-1 complaint handling remained high at 49.3%, consistent with previous quarters. This indicates persistent failings in initial complaint handling and reinforces the need for sector-wide improvements.

CUSTOMER EXPERIENCE

Customer experience performance in Quarter 2 was impacted by upstream delays and reduced Early Resolution capacity. Customer journey time rose to 285 days (target 250), reflecting fewer cases resolved early due to limited transfers from General Enquiries.
Timeliness measures declined, with only 33.5% of cases resolved within 60 days, down from 37.9% in Quarter 1. Longer-term resolution metrics remained broadly stable but below target. Wait times for unallocated investigations averaged 178 days, slightly better than Quarter 1 but still above target.
Performance against quality metrics remains broadly consistent with previous quarters. We continue to identify scope to improve case progression and levels of communication with our customers over the course of long standing investigations, as well as ensuring that we provide both sets of our customers with sufficient information for them to make informed decisions at key stages in our process.
Customer satisfaction levels also remain broadly stable, certainly for consumers of legal services; for service providers there is more volatility in the measure which is mostly attributable to a markedly smaller sample size. Typically again our customers' feedback revolves around case progression and communication which reinforces the themes identified in our quality assurance reviews.

Strategic issues and risks

Description	Risk Appetite	Q1 Issue Score	Q2 Issue Score	Tolerable Position	Trend	Controls and actions	Expected Completion Date	Q2 update	Strategic Objective (service Impact)
						Issue			
SI.01 Unacceptable queue of cases	Open	16	16	Outside of tolerance	⟷	**Controls** • 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 **Actions** Key Risk indicators have been established via the control review, which will involve the below. These need to be implemented to the risk system. - • Current ADS indicators. • Change Advisory Board (CAB) Bulk Queue • Induction % • Hand to Grad Bay % • Established Competency % • Support & development % • Junior Gade % • Substantive % • Quality %	Ongoing Ongoing End of Q3 / ongoing (revised date)	LeO's ability to substantive reduce the volume of customers awaiting investigation is being hampered by sustained increases in demand. New customer complaints have increased by over 23% year on year, with increases accelerating since Q3 2024/25. Demand for new customer complaints reached almost 3100 complaints in Q1 and over 3200 in Q2, successive quarter records. Though delayed by budget approval, Lean and AI initiatives design and implementation has started. Substantial process changes highlighted in the Lean review are being tested as a pilot though Q3 and Q4 coupled with a copilot role out into investigations through Q3 across operations. After a successful launch of a generative AI writing tool in service complaints, a project is being scoped to deliver a copilot version of this into operations for case and final decisions, this will be developed and retested through the second half of 2025/26. A separate evidence bundling project has moved to discovery phase, with a viable product expected in Q4. This reduces one of the more labour and administrative tasks in the investigations process.	Service

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Strategic issues and risks

Description	Risk Appetite	Q1 Issue Score	Q2 Issue Score	Tolerable Position	Trend	Controls and actions	Expected Completion Date	Q2 update	Strategic Objective (service Impact)
Issue									
SI.02 Absorb increasing sector led demand	Open	**20**	20	**Outside tolerance**	⬌	**Actions** • 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.	Ongoing End of Q2 25/26 / ongoing Ongoing End Q2 25/26 Completed End of April 25/26 and ongoing	LeO's ability to significantly reduce the volume of customers awaiting investigation continues to be constrained by sustained and accelerating demand. New customer complaints rose by over 23% year-on-year, with the upward trend intensifying since Q3 2024/25. Demand reached almost 3,100 complaints in Q1 and over 3,200 in Q2, marking consecutive quarterly records. Although progress was delayed due to budget approvals, Lean and AI initiatives have now entered the design and implementation phase. Substantial process changes identified in the Lean review are currently being piloted across Q3 and Q4, alongside the rollout of a copilot tool into investigations across operations during Q3. Following the successful launch of a generative AI writing tool in service complaints, a new project is being scoped to deliver a copilot version for operations, specifically supporting case handling and final decision drafting. This will be developed and tested throughout the second half of 2025/26. Separately, an evidence bundling project has progressed to the discovery phase, with a viable product expected in Q4. This initiative targets one of the more labour-intensive and administrative aspects of the investigations process, aiming to streamline and reduce manual effort.	Service

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Strategic issues and risks

Description	Risk Appetite	Q1 Issue Score	Q2 Issue Score	Tolerable Position	Trend	Controls and actions	Expected Completion Date	Q2 update	Strategic Objective (service Impact)
Issue									
SI.03 (New issue) Key Person Dependency (Single Point of Failure)	Open	N/A	20	**Outside tolerance**	N/A	**Actions** • Development of the Excel document covering **role coverage** and the **skill matrix** is currently on hold, as the upcoming HR platform may offer a more efficient or integrated solution for managing these elements. The project team is awaiting further progress on the HR system procurement before continuing work on the Excel-based approach.	awaiting on timeline from project.	**New issue summary** The issue has been created due to the concentration of leadership and operational responsibilities within a small number of individuals. This has been caused by the resignation of key personnel (Chief Ombudsmen), long-standing budget pressures, prioritisation of resources on direct delivery and support staff, challenges in the current market for executive-level recruitment, and delays in Ministry of Justice approvals for proposed changes to the leadership structure, including the Chief Ombudsman role. Addressing this issue would support continuity, strengthen leadership capacity, and enable more effective strategic and operational delivery.	Service

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Strategic issues and risks

Description	Risk Appetite	Q1 Risk Score	Q2 Risk Score	Tolerable Position	Trend	Controls and actions	Expected Completion Date	Q2 update	Strategic Objective (service Impact)
Risk									
SR.01 Failure to meet business plan improvements in customer experience	Open	**16**	**16**	**Outside tolerance**	⟷	**Controls** • 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 **Actions** Key Risk indicators have been established via the control review, which will involve the below. These need to be implemented to the risk system. - • Current ADS indicators. • Change Advisory Board (CAB) Bulk Queue • Induction % • Hand to Grad Bay % • Established Competency % • Support & development % • Junior Gade % • Substantive % • Quality %	Ongoing Ongoing End of Q3/Ongoing (revised)	LeO's ability to substantive reduce the volume of customers awaiting investigation Is being hampered by sustained increases in demand. New customer complaints have increased by 21% year on year, with the bulk of that increase being seen over the last 2 quarters. Demand for new customer complaints reached almost 3100 complaints in Q1. Lean and AI initiatives design and implementation has started. Substantial process changes highlighted in the Lean review are being tested as a pilot though Q2 and Q3, this will see more cases taken early from the unallocated investigations queue by established investigators with an aim to reduce the size of the investigation, establish earlier agreed outcomes and use the current wait time to request required evidence, before a panned handoff to an investigator to complete the process. LeO will launch a generative AI tool for testing in service complaints with the aim to learn how we use more broadly in investigations, this is coupled with the introduction of copilot AI licences to tests and understand use cases to take forwards into the wider population after a period of review.A separate project has been implemented alongside Audacia, to support evidence bundling, currently one of the more labour and administrative tasks in the process. These initiatives are designed to increase investigator productivity to in part, mitigate increases in demand and reduce the parts of the customer journey time within LeO's control.	Service

Strategic issues and risks

Description	Risk Appetite	Q1 Risk Score	Q2 Risk Score	Tolerable Position	Trend	Controls and actions	Expected Completion Date	Q2 update	Strategic Objective (service Impact)
Risk									
SR.02 Leadership resilience	Cautious	20	20	**Outside tolerance**	⟺	**Actions** • 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 • Development of the Excel document covering **role coverage** and the **skill matrix** is currently on hold, as the upcoming HR platform may offer a more efficient or integrated solution for managing these elements. The project team is awaiting further progress on the HR system procurement before continuing work on the Excel-based approach.	Ongoing Ongoing Ongoing Awaiting new timeline from project	MOJ approval for CO recruitment has been received and advert now public through procured executive search agency. Interviews scheduled for start of November latest and an expectation that an appointment will be made by March. Interim joint CEO in place following competitive process which will reduce risk in interim period. Backfill arrangements being progressed. This risk has stabilised as a result of these actions but scoring remains high given that a new CO will not be in place by time of CO departure in early October and transition and induction will be limited before OLC Chair term ends in March. Mitigation plans are in place to help ensure resilience and appropriate delegation in interim period. MOJ approval also received for recruitment of COO - this has been delayed as we progress appointment of permanent CO. Wider Executive team resilience has been enhanced by appointment of the new Head of People and Culture (started early August), permanent appointment of a Head of CEI (early September) and CO progression of proposals on executive retention incentives to be considered by OLC Chair and Remco. Head of People and Culture prioritising Executive team resilience including retention and succession planning and people strategy focus on leadership development.	Service

Strategic issues and risks

Description	Risk Appetite	Q1 Risk Score	Q2 Risk Score	Tolerable Position	Trend	Controls and actions	Expected Completion Date	Q2 update	Strategic Objective (service Impact)
					Risk				
SR.03 Budget Variance Against Forecast	Minimal	**12**	**12**	**Outside of tolerance**	⬌	**Controls** • Monthly Financial Budget Reviews **Actions** • Link controls from Business Unit Risk • Potentially more key risk indicators following linkage of Business Unit Risks	Ongoing End of Q3 Ongoing	As of 31 August, the outturn forecast indicates an underspend of £286k, representing 1.43% of the 2025–26 budget. This is outside the +/- 1% tolerance level. LeO was required to suspend all new operational expenditure from June until 2 September, pending Ministerial approval of the 2025–26 budget. This pause significantly impacted our ability to respond proactively to the risk of underspend. Key mitigating actions such as the recruitment of 2 x 12 investigators and replacement staff for General Enquiries and corporate roles had to be postponed, resulting in start dates being delayed by up to three months. Additionally, planned investment in IT development and the associated depreciation charges have also been deferred, further contributing to the underspend.	Service

Strategic issues and risks

Description	Risk Appetite	Q1 Risk Score	Q2 Risk Score	Tolerable Position	Trend	Controls and actions	Expected Completion Date	Q2 update	Strategic Objective (service Impact)
Risk									
SR.04 Accommodation Risk	Cautious	12	8	**Within tolerance**	⇩	**Actions** 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.	Ongoing	The likelihood of the risk has reduced given the recent update from the GPA as all clients in-scope to transfer from property across Birmingham and into the new Hub are likely to have to remain in-situ, possibly until the next spending round and subject to funding at that stage. LeO have a lease until October 2029 and have the added protection of the landlord and tenant act. This risk will be reviewed following a meeting scheduled in December between LeO, MoJ and GPA.	Service

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Strategic issues and risks

Description	Risk Appetite	Q1 Risk Score	Q2 Risk Score	Tolerable Position	Trend	Controls and actions	Expected Completion Date	Q2 update	Strategic Objective (service Impact)
						Risk			
SR.05 Failure to deliver new impact objective	Open	12	12	**Within tolerance**	⟺	**Actions** • Control creation - Regular discussions with operations teams anticipate resourcing needs to support this objective and Strategic oversight of delivery of commitments under this objective. • Recruitment of team members to support internal and external insight activities	End of Q3 (Partly completed - revised date) Q3-Q4	We maintained strong momentum in our learning and insight work over Q2. We published our first three Public Interest Decisions – part of our renewed commitment to publishing final decisions where it is in the public interest to do so. We also published updated and enhanced guidance on the remedies we award, and our third Spotlight article on the same topic. We relaunched LeO News, our quarterly newsletter, publicising these releases to our stakeholders and taking the opportunity also to update on our model complaints procedure, our Tailored Support initiative, and to highlight our annual report and our case fee consultation. We are continuing to engage actively with stakeholders across the breadth of our work. We are planning for a busy autumn and winter of engagement – including around LeO's leadership transition, on our 2026/27 Business Plan and Budget, and on revised case fee arrangements. We will also be evolving how we engage with key stakeholders about our impact objective work, and will be sharing our ideas with the OLC Board at its September workshop. The 2025/26 budget provision for additional insight resource within operational teams will come onstream much later than expected. The delayed levy approval by the MoJ also put on hold a number of recruitment campaigns to replace leavers in the CEI team. We are recruiting maternity cover for one of our insight & engagement officers, and will be recruiting to replace another officer who left in September. The delay in filling these positions – combined with the delayed insight resource in operations – has impacted on our internal and external insight activities and outputs. We have reshaped our work and schedules accordingly, but these resource gaps temporarily reduce our resilience, capacity and productivity.	impact

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Strategic issues and risks

Description	Risk Appetite	Q1 Risk Score	Q2 Risk Score	Tolerable Position	Trend	Controls and actions	Expected Completion Date	Q2 update	Strategic Objective (service Impact)
						Risk			
SR.06 Staff Attrition – Overall Attrition	Open	12	12	**Within tolerance**	⟷	**Controls** • HR portal • Recruitment and onboarding. End to end review of staff recruitment • Development of a new HR system **Actions** • Current ADS indicators. • Review of HR portal • Annual online mandatory learning statistics.	Ongoing Ongoing Ongoing	The employee experience will continue to be a central focus of our cultural development agenda. It is actively monitored and enhanced through multiple feedback channels, including the Civil Service People Survey and structured candidate and employee voice mechanisms such as Staff Council and our Business Partnering arrangements. These tools provide robust insights that inform targeted interventions and continuous improvement. Given the sustained progress of our approach, it is recommended that this risk be reclassified from a strategic risk to an operational risk. This reflects its transition from a high-level strategic concern to a well-managed, ongoing operational priority.	Service

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Strategic issues and risks

Description	Risk Appetite	Q1 Issue Score	Q2 Issue Score	Tolerable Position	Trend	Controls and actions	Expected Completion Date	Q2 update	Strategic Objective (service Impact)
						Risk			
SR.07 - Operational Strain from Transformation Demands	Open	N/A	9	Optimal	N/A	• Agile methodology is being applied to the Lean Phase 3 pilot, enabling a more flexible and iterative approach to delivery. • The implementation of AI and automation has been accelerated, enhancing efficiency and streamlining processes. • Additional staffing has been introduced, with eight new advisers joining the General Enquiries team to support increased demand and improve service capacity.	Q3	LeO's "invest to save" budget has been impacted by delays in MoJ approval, pushing the majority of development activity and its expected benefits back by one quarter. Despite this, robust plans are in place to ensure operational impacts are limited to the 3 FTEs already accounted for in the budget. Underspends from delayed recruitment will be redirected to create short-term capacity within ICT. This includes transferring an operations team member on a fixed-term basis to act as a bridge between operations and IT, reducing reliance on operational time. Separately, external training is being sourced for IT staff on AI agent development. This will support broader AI adoption and reduce dependency on external developers.	Service

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