

Meeting	OLC Board Meeting	Agenda Item No.	8
		Paper No.	140.6
Date of meeting	24 July 2025	Time required	30 Minutes

Title	Integrated Strategic Scorecard Q1 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 1 (Apr - Jun) 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 review the Strategic Scorecard for Quarter 1 (Apr - Jun).	
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 (Fol)	
Paragraph reference	Fol exemption and summary
N/A	N/A

STRATEGIC SCORECARD

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	13.8	↑	
Staff attrition	13.4%	→	
Staff turnover	15.1%	↓	
Investigator attrition	14.1%	↑	

VFM RESOURCES & GOVERNANCE			
Metric	Quarter Performance	vs Prev Qtr	Trend
Total unit cost	£2,251.00	↑	
Cost per early resolution outcome	£505.40	↑	
Cost per investigation outcome	£1,831.47	↓	
Forecast year end position	-0.1%	↓	
Number of strategic risks out of tolerance	4	↓	
% of strategic risks and issues rated critical/high	100.0%	↓	

OPERATIONAL PERFORMANCE & EFFICIENCY			
Metric	Quarter Performance	vs Prev Qtr	Trend
New customer complaints received	3,068	↓	
Complaints resolved	2,026	↓	
Unallocated investigations	3,250	↑	
% of investigations that found poor tier-1 complaints handling	45.9%	↑	
Established investigator productivity	6.6	→	
% of enquiries received that are premature	39.2%	↑	
% of new customer complaints received that are premature	9.2%	↑	

CUSTOMER EXPERIENCE			
Metric	Quarter Performance	vs Prev Qtr	Trend
Customer journey time - combined	280	↓	
Customer journey time - resolved in 60 days or less	38.1%	↑	
Customer journey time - resolved in 90 days or less	41.6%	↓	
Customer journey time - resolved in 180 days or less	47.6%	↓	
Customer journey time - resolved in 360 days or less	60.1%	↓	
Customer journey time - resolved in 540 days or less	83.2%	↑	
Customer journey time - resolved in 730 days or less	93.3%	↓	
Customer journey time - resolved in more than 730 days	6.7%	↓	
Combined wait times for unallocated investigations	195	↓	
Quality - reasonable outcome - early resolution	95.8%	↓	
Quality - reasonable outcome - investigation	94.6%	↑	
Quality - reasonable outcome - ombudsman	100.0%	↑	
Quality - reasonable service - early resolution	95.8%	↓	
Quality - reasonable service - investigation	65.3%	↓	
Quality - reasonable service - ombudsman	100.0%	↑	
CSat complainant: satisfied with outcome, satisfied with service	90%	↓	
CSat complainant: dissatisfied with outcome, satisfied with service	6%	↓	
CSat service provider: satisfied with outcome, satisfied with service	89%	↓	
CSat service provider: dissatisfied with outcome, satisfied with service	14%	↓	
Average time in unallocated investigation queue for cases taken out	278	↑	

Narrative - Quarter one (April - June 2025)

PEOPLE

Overall attrition has remained the same as the previous quarter at 13.4%, which is still well within the 19% target. Investigator attrition has fallen to 14.1% (against a target of 19%), representing a decrease of 2% compared to the end of Quarter 4. The overall turnover rate increased by 0.9% compared to the end of Quarter 4, but at 15.1% it remains well within the 21% target. Sickness absence levels have decreased from an average of 15.5 days per employee at the end of Quarter 4 to 13.8 days this last quarter. This figure remains outside the target of 11 days.

Mental Health remained the main reason for sickness absence in Quarter 1, although the number of days lost has fallen compared to the end of Quarter 4.

Currently there are 6 employees on long term sick leave, of these 4 are absent due to mental health issues compared to 3 at the end of Quarter 4. The outcomes of the deep-dive review into long-term sick leave and recurrent absence cases are currently being considered by HR and LeO’s employment law solicitors to assess additional support/actions and next steps as appropriate.

VFM RESOURCES & GOVERNANCE

Quarter 1 data shows higher scores for one issue and two risks. The demand issue and leadership resilience risk are now rated as critical, driven by a 21% increase in demand over Quarter 1 2024/25 and delays in MOJ approval of recruitment of the interim CO and COO roles. Overall, all strategic issues and risks remain high or critical due to sector-led demand and budget/accommodation uncertainties. However, two red risks (attrition and impact objective) are within tolerance due to risk appetite. Further details and mitigation actions are in Appendix A.

The forecasted year end position at the end of quarter 1 was for an underspend of £16,365, -0.08% of the 2025-26 budget and well within the MOJ's 1% tolerance. The Executive have increased the budget variance risk from a 4 to 12 (an increase in likelihood) due to uncertainty around ministerial approval for the 2025/26 budget Further delays could postpone the start dates for 22 Investigators expected to start in quarter 3.

As we begin the new financial year, we expect all cost per unit measures to have increased compared to the previous quarter, reflecting the rise in staff costs due to the 3.25% annual pay award in line with Cabinet Office pay remit. However, cost per early resolution has reduced due to vacant posts and unit cost is lower due to the timing of pay award costs which will be incurred later once pay remit is approved by ministers.

OPERATIONAL PERFORMANCE & EFFICIENCY

Resolutions finished above likely scenario at 2026 against an expectation of 2010, a continuation of the high output performance in 2024/25. Productivity remained at the high levels seen last year, overall productivity remaining at 6.6 against a target of 6 per FTE. This sustained productivity reflects an increase in early resolutions as a result of a review of early resolutions decision making to ensure that LeO is closing cases at the earliest opportunity. Sector led demand for LeO's service has continued its sustained increase. New customer complaints received increased by over 20% on the same period year in year, with the bulk of the increase being experienced over the last two quarters.

Unallocated investigations reduced for the 5th consecutive quarter and is currently within the Business Plan forecast ranges, albeit towards worse case expectations. Vacancies for General Enquiries Advisors combined with demand increases has meant around 800 additional complaints, equating to core demand of around 550 cases, are still to flow through into investigations. This will move unallocated volumes outside of forecast ranges. Poor tier 1 complaints handling has decreased to 45.9% but remains stubbornly high, with almost half of the cases assessed for poor complaints handling not being at the standard that a consumer should expect. This remains coupled with almost 40% of cases still coming to LeO before they are ready for our service. This is a continued trend and highlights that there is still significant work required across the Legal sector to improve outcomes for consumers.

CUSTOMER EXPERIENCE


The average wait time to be allocated for an in depth investigation - around 50% of LeO's cases - has reduced to 278 days, continuing a positive trend over four quarters. Combined customer journey times increased marginally from 274 to 280, this is within normal fluctuations dependent on the closure mix between early resolutions and in-depth investigations. Both measures are significantly affected by demand for LeO's service increasing, hampering LeO's ability to reduce unallocated investigations volumes and wait times to be allocated for an in-depth investigation.

Performance against LeO's quality and customer satisfaction metrics remained broadly stable in Quarter 1. There was a marked improvement in performance against the investigation outcome quality metric in quarter 1. This has been an area of focus for operations teams of late and it is hoped that the improvement is reflective of the time and effort devoted to this issue - given the size of improvement however a validation exercise will be carried out to ensure that the scores are an accurate reflection of the level of improvement in this area.


Strategic issues and risks

Description	Risk Appetite	Q4 Issue Score	Q1 Issue Score	Tolerable Position	Trend	Controls and actions	Expected Completion Date	Q1 update	Strategic Objective (service Impact)
Issues									
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 -</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 Q2 / 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. 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.</p> <p>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.</p>	Service


Strategic issues and risks

Description	Risk Appetite	Q4 Issue Score	Q1 Issue Score	Tolerable Position	Trend	Controls and actions	Expected Completion Date	Q1 update	Strategic Objective (service Impact)
Issues									
SI.02 Absorb increasing sector led demand	Open	16	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. Control creation linked to strategic risk Failure to deliver new impact objective 	Ongoing End of Q2 25/26 / ongoing Ongoing End Q2 25/26 Completed End of April 25/26 and ongoing End of Q2 25/26	Sector led demand for LeO's service has seen substantial and sustained increases since 2019/20 and is tracked as a strategic issue due to the severity of the impact on LeO's service. Despite interventions - scheme rules changes, website enhancements and early resolution - sector led demand for LeO's service continues to rise. 2024/25 alone saw demand increase by over 10%, a trend that accelerated in Q4 2024/25 and continued into 2025/26 with an almost 21% increase in Q1 2025/26 vs Q1 2024/25. New customer complaints for Quarter 1 alone stood at almost 3100. This unprecedented demand has a knock-on effect on LeO's investigable demand in both early resolutions and investigations. Analysis of new customer complaints received via the online complaint form for 2024/25, has seen a steady increase in many of the areas of law that LeO deals with, including sharper increases in its most prolific areas such as conveyancing, personal injury and wills and probate. This is coupled with a stubbornly high rate of those cases where LeO sees poor tier 1 complaints handling.	Service


Strategic issues and risks

Description	Risk Appetite	Q4 Risk Score	Q1 Risk Score	Tolerable Position	Trend	Controls and actions	Expected Completion Date	Q1 update	Strategic Objective (service Impact)
SR.01 Failure to meet business plan improvements in customer experience	Open	16	16	Outside tolerance		<u>Controls</u> <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 <u>Actions</u> <p>Key Risk indicators have been established via the control review, which will involve the below -</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 % 	Ongoing Ongoing End of Q2 (revised)	<p>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 planned handoff to an investigator to complete the process.</p> <p>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.</p>	Service


Q1 update	Strategic Objective (service Impact)
<p>Approval for interim CO. Has delayed recruitment executive search agency. Risk scoring has increased increased likelihood that an interim CO will not be departure in early October. Mitigation plans are being</p>	

Risks									
SR.02 Leadership resilience	Cautious	16	20	Outside tolerance		<u>Actions</u>			
						<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• Control creation – Skills matrix to provide resource data across LeO departments. To be completed by the Enterprise Risk manager.	Ongoing	Failure to receive MOJ approval for interim CO. Has delayed recruitment despite procurement of executive search agency. Risk scoring has increased as a result of this given the increased likelihood that an interim CO will not be in place by time of CO departure in early October. Mitigation plans are being prepared between the CO and OLC to help insure resilience and appropriate delegation of CO powers in any interim period.	
							Ongoing	Wider Executive team resilience is being enhanced through this period by appointment of the new Head of People and culture (starting early August), permanent arrangements for Head of Coms and impact and executive retention incentives. Chief Ombudsman and OLC board considered executive team resilience at April's board which agreed the addition of a permanent COO to the leadership structure.	
							Ongoing		
							End of Q3 25/26		
									Service

Q1 update	Strategic Objective (service Impact)
<p>to unexpected uncertainty around ministerial im we have been given authority to spend in line s. The outturn forecast at the end of May 2025 44,000. This is -0.24% of the 2025/26 budget.</p>	

Risks									
SR.03 Budget Variance Against Forecast	Minimal	4	12	Outside of tolerance		<u>Controls</u> <ul style="list-style-type: none">Monthly Financial Budget Reviews	Ongoing	Risk scoring increased due to unexpected uncertainty around ministerial budget approval. In the interim we have been given authority to spend in line with our indicated allocations. The outturn forecast at the end of May 2025 was for an underspend of -£44,000. This is -0.24% of the 2025/26 budget. Forecast will be continually monitored throughout the year to ensure the mitigated actions are timely implemented in order so we are within tolerance by the end of the year.	Service
						<u>Actions</u> <ul style="list-style-type: none">Link controls from Business Unit RiskPotential More Key Risk indicators following linkage of Business Unit RisksClose engagement with MoJ re 2025/26 budget approval	End of Q2 Ongoing		


Strategic issues and risks

Description	Risk Appetite	Q4 Risk Score	Q1 Risk Score	Tolerable Position	Trend	Controls and actions	Expected Completion Date	Q1 update	Strategic Objective (service Impact)
Issues									
SR.04 GPA Birmingham Hub	Cautious	12	12	Outside tolerance		<u>Actions</u> Meeting with MoJ re next steps and GPA for any further developments Steering committee meetings – updates and decision making	July 25 Monthly	At the end of Q1 we have received confirmation from GPA that they have not had the budget approved to progress the Birmingham Hub 3 project in the Cabinet Office spending review by HMT. New contact details for GPA have been provided who have advised there are no civil or public estate options available in Birmingham, therefore a private search of the market would be required. Options on next steps are being discussed at the steering committee on 9 July with a view to engaging MoJ colleagues on their views – this meeting has been set for 14 July.	Service

Strategic issues and risks

Description	Risk Appetite	Q4 Risk Score	Q1 Risk Score	Tolerable Position	Trend	Controls and actions	Expected Completion Date	Q1 update	Strategic Objective (service Impact)
Risks									
SR.05 Failure to deliver new impact objective	Open	12	12	Within tolerance	↔	Actions <ul style="list-style-type: none"> Control creation - Regular discussions with operations teams anticipate resourcing needs to support this objective and Strategic oversight of delivery of commitments under this objective. 	End of Q2 (revised date)	<p>We are continuing to build the profile of our external insight content, including the publication in May of our second Spotlight article on third-party delays. We are carefully considering the pitch and tone of our insight communications to ensure they are perceived as strategic and constructive, and more likely to get positive traction and influence.</p> <p>We are proactively engaging with stakeholders across multiple areas of work, including our insight outputs, consultations, public interest decisions, and complaints-handling best practice. The degree of senior role changes in the sector (including changes at LeO, in the LSB chair and CEO, SRA CEO, Law Society President) could negatively affect our impact. We will be working to maintain our momentum and build relationships with key stakeholders to mitigate this risk.</p> <p>The anticipated 25/26 budget provision for additional insight resource within operational teams will come onstream later than expected, which will impact on internal insight activities and networks. We have also started recruitment preparation to cover a maternity leave absence in the team.</p>	Service

Strategic issues and risks

Description	Risk Appetite	Q4 Risk Score	Q1 Risk Score	Tolerable Position	Trend	Controls and actions	Expected Completion Date	Q1 update	Strategic Objective (service Impact)
Risks									
SR.06 Staff Attrition – Overall Attrition	Open	12	12	Within tolerance		<u>Controls</u> <ul style="list-style-type: none"> HR portal Recruitment and onboarding. End to end review of staff recruitment <u>Actions</u> <ul style="list-style-type: none"> Current ADS indicators. Review of HR portal Annual online mandatory learning statistics. 	Ongoing Ongoing Ongoing	As of July 2025 (latest data available) overall monthly attrition has remained at 1% for the whole of quarter 1 and now stands at 13.4% against a target of 19%. Reducing attrition through improvements to the employee experience continues to be a key priority reflected in the People Strategy and EDI strategy. Key actions include <ul style="list-style-type: none"> Improved Employee value proposition Maximisation of pay remit flexibility guidance Strong consultative, feedback mechanisms in place (staff council/networks) Increased flexibility in hybrid model Improved family friendly policies and work life balance initiatives Continued improvements in the EDI/inclusivity space (menopause policy and manger disability training) Improved training offer, including leadership development and aspiring mangers course Secondment opportunities LEAN review to identify efficiencies and reduce process burden Improved recruitment/onboarding and Induction process Brumfest and feedback forums for views to enhance continued improvement 	Service