

<b>Meeting</b>	OLC Board	<b>Agenda Item No. Paper No.</b>	6 130.4
<b>Date of meeting</b>	14 December 2023	<b>Time required</b>	15 minutes

<b>Title</b>	<b>Future Board reporting</b>
<b>Sponsor</b>	Paul McFadden, Chief Ombudsman
<b>Status</b>	OFFICIAL
<b>To be communicated to:</b>	OLC Board

<b>Executive summary</b>
<p>The findings of the recent OLC Board effectiveness review highlighted the need to move to a more strategic form of reporting, and away from the level of operational detail that current Board reporting delivers.</p> <p>Initial discussions at the OLC Board workshop in September focused on the exploration of strategic frameworks that the OLC might look to adopt going forward. Building on this, at October's OLC Board meeting the Executive Team sought feedback on the format of the current Board reporting pack. The Board's clear steer was that the Chief Ombudsman Executive Report was central to delivering strategic updates, and that any new format should prioritise the reduction of duplication and focus on strategic risks and issues, with consideration given to the value of any visual elements included.</p> <p>In light of these discussions, the Executive Team have sought to develop a prototype for a more focused Board report, which enables the Board to take a more strategic view of LeO's performance while maintaining an appropriate level of assurance.</p> <p>The Board, alongside stakeholders including the MoJ and LSB, also have access to a comprehensive suite of operational and strategic indicators on LeO's performance – the Agreed Data Set (ADS). The metrics included in ADS have not been considered as part of this review. However, it is recognised that the new strategic period will necessitate a full review of the indicators underpinning LeO's performance, how these are reported and who to – in close consultation with OLC Board and those with an oversight role in respect of the OLC and LeO.</p> <p>For the time being, indicators included within the existing top-level dashboard suite have been included in the proposed balanced scorecard (see proposal below). A full list of current ADS metrics and the existing top-level dashboard is provided as an appendix.</p> <p>This paper proposes the following approach to monthly Board reporting.</p> <p><b>Chief Ombudsman Executive Report</b></p> <ul style="list-style-type: none"> <li>This report will continue to provide a key strategic summary of relevant progress, issues and risks. It is proposed that this summary is structured around the strategic objectives for 2024-27, followed by updates relating to the four strategic enablers.</li> </ul> <p><b>A balanced scorecard</b></p> <p>October's Board discussions highlighted broad support for a balanced scorecard model. The proposal anticipates a high-level summary narrative focused around four quadrants:</p>

- People
- Finance and governance
- Operations
- Customer experience

LeO’s insight and impact programme is currently being developed and will expand and embed over the course of the strategy. For this reason, it is proposed that it is reported on narratively in the CO Executive Report and under relevant strategic enablers – with a view to including relevant strategic measures as and when these are developed.

**A view of all KPIs**

This will show all current KPIs that are reported within the ADS. These will be reported on a current period and year-to-date basis and against risk tolerances, where a risk tolerance exists. As outlined above, the existing suite of indicators used to assess LeO’s performance will be subject to further review and consultation.

**Strategic risk and issues**

An overview of strategic risks and issues, movements and mitigating actions the Executive are implementing to manage the risks and issues.

**Recommendation/action required**

Board members are asked to review, feed back on and approve the proposals. Feedback is particularly sought on:

- The overall format and structure, including the level of narrative detail and the balance of narrative vs visual elements
- Whether the proposals will provide the basis for more strategic reporting while maintaining sufficient assurance on LeO’s performance – and also considering the level of detail received by Board committees vs full Board.
- Early views on the proposal for a full review of the indicators underpinning LeO’s performance, in advance of engagement with LSB and MoJ.

**Equality Diversity and Inclusion**

**EDI implications**

**Yes**

A key feature of any future OLC Board reporting, and the metrics that underpin this, will be measures relating to EDI factors in respect of both LeO’s people and its customers. This will be at the heart of further developments and subject to consultation with the OLC Board, LeO’s EDI Manager, staff networks and relevant stakeholders as required.

**Freedom of Information Act 2000 (Fol)**

**Paragraph reference**

**Fol exemption and summary**

N/a

N/a

<b>Meeting</b>	OLC Board	<b>Agenda item Paper number</b>	6 130.6
<b>Date of meeting</b>	14 December 2023	<b>Time required</b>	15 minutes

<b>Title</b>	<b>Chief Ombudsman Executive Report</b>
<b>Sponsor</b>	Paul McFadden, Chief Ombudsman
<b>Status</b>	OFFICIAL

<b>Executive summary</b>

<b>Recommendation or action required</b>	
<b>Equality, diversity and inclusion</b>	
Does this paper have EDI implications?	Explanation
<b>Freedom of Information Act 2000</b>	
Paragraph reference	Exemption and summary

**Performance against LeO's strategic objectives**

**Strategic objective for LeO's service: LeO resolves complaints fairly and effectively, providing an excellent customer experience**

Relevant strategic risks and issues	
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*Report to include narrative relevant to the strategic aims:*

- *We will deliver an efficient and proportionate service*
- *We will give fair, high-quality outcomes that make a difference*
- *We will be accessible to everyone who needs us*

**Strategic objective for LeO's impact: LeO's independent voice and experience lead to improvements in legal services**

Relevant strategic risks and issues

*Report to include narrative relevant to the strategic aims:*

- *We will build LeO's profile and impact as an independent voice for improvement*
- *We will share learning and insights that help lead to better legal services for consumers*
- *We will use our experience to help legal providers improve their complaints handling*

## Updates on strategic enablers and supporting strategies

### People and culture

Strategies relevant to update

People, EDI, future ways of working

- 

### Relationships and collaboration

Strategies relevant to update

Knowledge and insight (in development)

- 

### Systems and intelligence

Strategies relevant to update

Technology and innovation (in development),  
knowledge and insight (in development)

- 

### Funding and resources

Strategies relevant to update

Future ways of working

-

# Balanced scorecard – narrative

People	Finance and governance
<p>High-level strategic narrative, providing a key highlight summary of quarterly performance, priorities, and risks. To include:</p> <ul style="list-style-type: none"><li>• People Strategy and performance</li><li>• Engagement</li><li>• People culture, EDI and wellbeing</li></ul>	<p>High-level strategic narrative, providing a key highlight summary of quarterly performance, priorities, and risks. To include:</p> <ul style="list-style-type: none"><li>• Risk, audit and governance</li><li>• Financial performance and reporting, including end-year forecast</li><li>• VfM and unit cost</li></ul>
Operational performance and efficiency	Customer experience
<p>High-level strategic narrative, providing a key highlight summary of quarterly performance, priorities, and risks. To include:</p> <ul style="list-style-type: none"><li>• Operational performance and productivity</li><li>• Processes and flowthrough (including queue length, demand)</li><li>• Efficiency</li></ul>	<ul style="list-style-type: none"><li>• High-level strategic narrative, providing a key highlight summary of quarterly performance, priorities, and risks.</li><li>• Separated from operational measures for reporting purposes, while linked – reflecting feedback that operational measures on their own (eg queue length, core demand) don't adequately convey customers' experience (journey times, satisfaction, quality).</li><li>• To include:<ul style="list-style-type: none"><li>• Customer journey times</li><li>• Customer satisfaction</li><li>• Quality</li></ul></li></ul>

# Balanced scorecard – indicators

People						Finance and governance					
Ref	RAG	Metric	Monthly performance	Target	Tolerance	Ref	RAG	Metric	Monthly performance	Target	Tolerance
PI09	Green	Days lost to sickness	13	11	13-18	KPI06	Green	Unit cost	£1,913	£2,165	3-7%
PI11	Orange	Monthly and attrition rate (voluntary permanent leavers)	21.7%	19%	1-4%	PI16	Green	% of organisational/strategic risks rated critical/high	40%	No target	20-40%
KPI07	Orange	Monthly and rolling turnover rate – all	23.1%	21	1-4%	PI17	Orange	Budget variance against forecast	7.6%	5%	5-10%
Operational performance and efficiency						Customer experience					
Ref	RAG	Metric	Monthly performance	Target	Tolerance	Ref	RAG	Metric	Monthly performance	Target	Tolerance
MI08	Green	Cases accepted for investigation	368	330	2-5%	KPI02	Red	Customer journey time – all complexities including FET	328	250	2-10%
MI11	Green	Cases resolved (including FET)	674	691	5-8%	KPI02	Red	Customer journey time - high	653	500	2-10%
MI05	Green	Cases taken from the PAP	376	350	2-5%	KPI02	Red	Customer journey time – low	493	325	2-10%
KPI08	Red	Volume of cases awaiting assessment	3,475	2,706-2,284	2,706-2,284	KPI02	Red	Customer journey time – medium	648	500	2-10%
						KPI01	Red	Quality – reasonable outcome – all	88%	95%	90-95%



# Strategic issues and risks

Description	Risk appetite	Previous month-end score	Latest residual month-end score	Trend	Management and mitigation	Update and outlook	Strategic objective (service/ impact)
<b>Issues</b>							
Failure to meet forecast performance trajectory	Open	16	16	↔	Concise summary of measures in place – eg: <ul style="list-style-type: none"> <li>• PAP reduction progress</li> <li>• Support and guidance for GET</li> <li>• CRM oversight</li> </ul>	Concise update of movement since last report and outlook for next quarter	Service
<b>Risks</b>							
Leadership resilience	Cautious	8	8	↔	Concise summary of measures in place <ul style="list-style-type: none"> <li>• Succession planning</li> <li>• Support for leadership team and individual resilience (leadership development programme)</li> <li>• Executive and Management team movements</li> </ul>	Concise update of movement since last report and outlook for next quarter	Service

# Performance indicators

[This would provide a full list of all agreed LeO indicators and associated targets, progress and tolerance. Given the volume of current agreed indicators (see appendix), this could be provided as part of the Board performance reporting pack or, in future, as an optional Power BI drill-through.]

Ref	RAG	Metric	This month's performance	Target	Year to date	Risk tolerance
KPI02	Red	Customer Journey Time - Combined	328	250	314	None
PI17	Yellow	Budget variance against forecast	7.6%	5%	-2.8%	5-10%

## Appendix – existing Agreed Data Set and top-level dashboard

Proposed balanced scorecard area	Metric / Measure	Tolerance	Target	Oct Actual
<b>People</b>				
People	PI09 - Sickness, lost days per head	13-18 days	11	13
People	BM04 -Employee engagement - staff survey / engagement index.	2-5%	50%	59%
People	PI11 - Staff Attrition (All permanent Voluntary Leavers)	1-4%	19%	21.70%
People	BM02 - Monthly and rolling turnover rate by cohort	No Tolerance	No Target	
People	PI18 - Productive Established FTE	5-8%	62.66	66.42
People	BM03 - % Established / developing Investigators	70-80%	42%	59%
People	PI13 - Staff retention - average length of service	No Tolerance	No Target	4.6
People	KPI07 - Staff turnover (all permanent leavers - voluntary and involuntary)	1-4%	21	23.10%
<b>Operational performance and efficiency</b>				
Operational performance and efficiency	KPI08 - Volume of cases awaiting assessment	2706-2284	2706-2284	3475
Operational performance and efficiency	BM01 - Productivity per (established) investigator	5-10%	5	3.69
Operational performance and efficiency	BM01 - Combined productivity per Front End Team investigator /GETI member and established investigator.	5-10%	5	6.5
Operational performance and efficiency	BM01 - Productivity per Front End Team investigator	5-10%	5	19.79
Operational performance and efficiency	MI11 - Cases closed at investigation including BAU and Early Closures	5-8%	691	674
Operational performance and efficiency	MI08 - Cases accepted for investigation (BAU only)	2-5%	330	368
Operational performance and efficiency	MI05 - Cases taken from the PAP to Investigation.	2-5%	350	376
Operational performance and efficiency	MI01 - Average wait time for written contact to be responded to	20-25	20	32
Operational performance and efficiency	MI06 - Current average wait time in pre-assessment pool - <b>Low</b>	No Tolerance	No Target	217
Operational performance and efficiency	MI06 - Current average wait time in pre-assessment pool - <b>Medium</b>	No Tolerance	No Target	211
Operational performance and efficiency	MI06 - Current average wait time in pre-assessment pool - <b>High</b>	No Tolerance	No Target	113
Operational performance and efficiency	MI07 - Average time in PAP for cases taken out - <b>Low</b>	No Tolerance	No Target	358
Operational performance and efficiency	MI07 - Average time in PAP for cases taken out - <b>Medium</b>	No Tolerance	No Target	369
Operational performance and efficiency	MI07 - Average time in PAP for cases taken out - <b>High</b>	No Tolerance	No Target	217
Operational performance and efficiency	MI07 - Average time in PAP for cases taken out - <b>All cases</b>	No Tolerance	No Target	366
Operational performance and efficiency	MI09 - Average age of open WIP by stage	No Tolerance	No Target	
Operational performance and efficiency	MI10 - Volume of open cases in open WIP by stage	No Tolerance	No Target	1679
Operational performance and efficiency	MI12 - Cases closed prior to investigation	No Tolerance	No Target	928
Operational performance and efficiency	MI14 - Early Proportionality Queue WIP	No Tolerance	No Target	331
Operational performance and efficiency	MI15 - Cases Triaged by GET	No Tolerance	562	708
Operational performance and efficiency	PI01 -Service Level - General Enquiries Team	69-80%	80%	60%
Operational performance and efficiency	PI02 - Average case-holding per investigator	No Tolerance	16	12.69

## Appendix – existing Agreed Data Set and top-level dashboard

Customer experience				
Customer experience	KPI02 - Customer Journey Time - <b>Combined</b>	2% - 10%	250	328
Customer experience	KPI02 - Customer Journey Time - <b>High</b>	2% - 10%	500	653
Customer experience	KPI02 - Customer Journey Time - <b>Medium</b>	2% - 10%	500	648
Customer experience	KPI02 - Customer Journey Time - <b>Low</b>	2% - 10%	325	493
Customer experience	KPI02 - Customer Journey Time - <b>FET</b>	No Tolerance	No Target	45
Customer experience	PI03 - Customer journey - Investigation time - <b>Low</b>	No Tolerance	No Target	128
Customer experience	PI03 - Customer journey - Investigation time - <b>Medium</b>	No Tolerance	No Target	187
Customer experience	PI03 - Customer journey - Investigation time - <b>High</b>	No Tolerance	No Target	220
Customer experience	PI03 - Customer journey - Investigation time - <b>All BAU</b>	No Tolerance	No Target	152
Customer experience	PI03 - Customer journey - Investigation time - <b>FET</b>	No Tolerance	No Target	45
Customer experience	PI03 - Customer journey - Investigation time - <b>Combined</b>	No Tolerance	No Target	105
Customer experience	KPI01 - Quality - Reasonable outcome	90-95%	95%	88%
Customer experience	PI08 - Quality - Reasonable service	85-90%	90%	80%
Customer experience	KPI03 - Service Provider Customer Satisfaction - Complainant	80-85%	85%	96%
Customer experience	KPI03 - Service Provider Customer Satisfaction - Service Provider	79-85%	85%	87%
Customer experience	MI01 - Average written time for written contact to be responded to	20-25 days	20	34
Customer experience	PI07 - Service complaints (total remedies)	£2500-£2751	£2,500	£4,375
Customer experience	KPI04 - % service providers agree that LeO provides useful GUIDANCE - RELEVANT	No Tolerance	80%	86%
Customer experience	KPI04 - % service providers agree that LeO provides useful GUIDANCE - USEFUL	No Tolerance	80%	85%
Customer experience	KPI04 - % service providers agree that LeO provides TRAINING - RELEVANT	No Tolerance	80%	91%
Customer experience	KPI04 - % service providers agree that LeO provides useful TRAINING USEFUL	No Tolerance	80%	92%
Customer experience	KPI05 - Stakeholder satisfaction - Effective Learning with Stakeholders	69-80%	80%	88%
Customer experience	KPI05 - Stakeholder satisfaction - Effective Learning with Service Providers	69-80%	80%	71%
Customer experience	PI14 - Number of professional learning courses per year	2-4	No Target	15
Customer experience	PI15 - Number of Best practice engagement activities	3-5	No Target	21
Finance and governance				
Finance and governance	BM06 - Number of completed internal audits rated moderate or substantial	50-75%	75%	100%
Finance and governance	PI16 - % of Strategic risks rated critical/high	20-40%	No Target	40%
Finance and governance	PI16 - % of business unit risks rated critical/high	20-40%	No Target	39%
Finance and governance	PI16 - Strategic Issues	20-40%	No Target	100%
Finance and governance	PI17 - Budget variance against forecast	5-10%	5%	7.60%
Finance and governance	KPI06 - Unit Cost	3% - 7%	£2,165	£1,913
Finance and governance	BM05 - Direct cost per contact and cost per case - <b>Advice &amp; Support GET</b>	No Tolerance	No Target	£12
Finance and governance	BM05 - Direct cost per contact and cost per case - <b>Investigations</b>	No Tolerance	No Target	£1,861

Appendix – existing Agreed Data Set and top-level dashboard

