

Meeting	OLC Board	Agenda Item No. Paper No.	8 113.6
Date of meeting	31 March 2021	Time required	20 minutes

Title	Performance Report January 2021 – February 2021
Sponsor	Sandra Strinati, Chief Operating Officer

Summary
<p>This paper provides;</p> <ul style="list-style-type: none"> - details of performance at the Legal Ombudsman for January/ February 2021 and the latest position for March 2021; - a re-phased People Plan which underpins Business Plan delivery; and - an outline of specific activities to support Priority 1 and 2 in 2021/22. <p>Performance for January/February and to date for March</p> <p>Some greenshoots of recovery and cause for optimism - January and February saw case closure assumptions met or exceeded, and March is also on track to achieve the assumption. Closures achieved in January and February are the highest since November 2020, with February 2021 closures higher than achieved in February 2020.</p> <p>A shortened summary of performance data for a 6 month period can be found at Appendix A with a more comprehensive data pack in Appendix B</p> <p>Investigator productivity, a key determinant in successful outcomes, stands at 4.46 for February. Whilst it is lower than where we need it to be, it is the highest it has been since November 2019.</p> <p>The Pre-Assessment Pool (PAP) stands at a lower level than forecast but that is more due to resourcing in General Enquiries Team than a change in demand. It currently stands at 4785. This represents the number of customers waiting to be allocated an investigator.</p> <p>We will be having a renewed focus on sick absence management including the root causes and how we can support colleagues back to work. Sick absence stands at an average of 11.45 in January and 11.04 days per FTE, the KPI is 10 days. This is high but in line with 19/20 levels. 37% absence was Covid-19 related in January and 29% in February. 50% of our sick absence is related to mental health. We will be training our Team Leaders and taking a revised approach to the management of absence, both to support our people through their illness and consider how we can manage attendance rather than manage absence.</p> <p>The Board are asked to note the performance update</p> <p>People Plan</p> <p>The Executive review of the People Plan in March has taken account of feedback from February's Remco meeting and led to a reprioritisation of activity along with a rephrasing of</p>

workstreams. A project management structure has been applied to implementation of the workstreams and activities which will now be more achievable and focused on supporting delivery of the Business Plan priorities.

The reprioritised People Plan phasing is at Annex C from our Head of Organisational Design and People.

The Board are asked to note the People Plan update and reprioritisation

Programme of work to achieve Business Plan outcomes P1 and P2

The Executive have considered the programme of work that will focus LeO's efforts more clearly and with urgency on:

- Segmentation and reduction of the Pre -Assessment Pool;
- Improving our productivity for work currently in progress;
- Improving and simplifying business processes;
- Reviewing how we best use our resources;
- Engaging our workforce, including listening to their ideas for improvement and appropriately using their skills;
- Helping us to learn from others; and
- Considering the wellbeing of our people.

Some examples of the activity planned or in train is included later in the paper. We are pursuing activity with pace and purpose and engaging the whole organisation in Priority 1 and 2 of the Business Plan.

We would welcome the Board's view on planned activity

Recommendation/action required
To note and offer views

Performance update January 2021-February 2021

Performance for January/February and to date in March

1. Despite colleagues in this period being impacted by challenges related to Covid-19, lockdown and home schooling there are some promising signs of an emerging recovery. Operational teams have met or exceeded set assumptions for case closures in January and February. March is on track to achieve planned assumptions. Operational leaders are positively engaging with colleagues across the business, listening to their people and a shift in culture is emerging.
2. We have continued to consistently apply behavioural management as the way we lead our staff but are increasing our emphasis on ensuring that this is balanced with a clear understanding from staff of the required outcomes for our customers. Our focus is increasingly on supporting and developing this understanding of how all colleagues contribute to that expectation.
3. We expect that with school children having returned to school in March 2021 more uninterrupted working hours will be available which will result in improved outcomes. This will support our business as usual as well as the intense focus that the Executive and the Operations Managers are placing on a drive to reduce the volume and wait times within the Pre-Assessment Pool (PAP). Team Leaders will also have increased capacity to understand variances in individual investigator performance. This will ensure that those currently not able to contribute have the coaching and positive support required.
4. We recognise the need to value of the People Plan as an enabler in driving our performance and competence whilst also considering the wellbeing of our people.

General Enquiries Team (GET)

5. The decision taken in December that all staff should use their accumulated annual leave over the Christmas break left staffing levels as low as 40% of the usual GET complement. This decision was taken in the knowledge that the resulting effect on performance could be recovered during January and February.
6. 25% (2.2 FTE) of normal capacity for call handlers at times during January was impacted by Covid-19 related absence. To maintain a telephony service during this period GET advisors were deployed to take calls. This rebalance of the workforce meant a reduction in advisor capacity and subsequent worsening of the delays to customer emails. This was coupled with a further lockdown which meant GET lost

further capacity for those staff with caring responsibilities. GET resourcing levels have steadied as had performance.

7. The decision was taken to make some alterations to our front-end messaging to encourage callers to use the resources on the LeO website. These mitigations resulted in GET recovering the delays, an improvement in overall performance and the expected channel shifts as below. This will be revisited at March end.
8. Average days to respond to emails 22 days in January.16 days February. Email enquiries answered within 5 days; 14% in January, 30% in February. Percentage answered within 30 days; 98% February, 62% in January. At the time of writing the paper the delay stands at 17 days. This is within a range that has been consistent throughout the Covid-19 period and remains our usual work in progress. The target to respond to 100% of emails within 14 days has not been met in recent history.
9. Contact levels in GET have increased overall between Dec 2020 and Feb 2021 from 7736 contacts to 8744 but with a continued shift towards enquiry emails and Customer Application Tool (CAT) forms. In February 35% of contacts were from telephone calls, a 50% reduction on February 2020. GET continues to respond to this channel shift by upskilling Call Handlers to be able to handle a greater proportion of the email volume. GET are deploying resources to meet the needs of our customers in a dynamic way.

Pre-Assessment Pool (PAP)

10. Whist our assumptions placed the PAP at 4850 by the end of February the actual figure was 4785. Additions into the PAP of 503 in January was approximately 100 short of the monthly assumption. This was due to previously mentioned staffing issues within GET – for March GET are on track to add 700 customers to the PAP. At present if the PAP is below the forecast it is more a reflection of a delay in our processes than a reduced demand.
11. We recognize the urgency in reducing the size of the PAP and the wait time for our customers. A decrease in the PAP will enable those who require an investigation to get allocated an investigator more quickly thus reducing times across the end-to-end customer journey. Work has begun on engaging the entire business into the resolution of this key business priority. We are committed to listening to our colleagues at every level and including them in being part of the solution to improve our customers experience of LeO's service.

Resolution Centre (RC)

12. Closure assumptions for January were 443, we achieved 468. For February the assumption was 465, we achieved 466. March closure assumption is 450 and to date (22/3) we have closed 325. On this date in March 2020 we had closed 281. The expectation is that the positive upwards trajectory will continue now that schoolchildren have returned.

13. We know from the OLC Performance and Quality Task Group that investigator productivity is a key determinant in our success. Productivity levels between individuals vary hugely and our aim is to equalise performance and drive consistency. By way of illustration, in Q1, 59% of investigators closed less than 4 cases per FTE. By Q4 this reduced to 38%. The proportion of investigators closing 6 or more cases has risen from 15% in Q3 to 26% in Q4. This is a key area of focus. We are also investing in our Team Leaders to more effectively manage performance whilst balancing customer outcomes and managing by behaviours.
14. As 60% of Team Leaders in the RC were impacted affected by caring responsibilities or sickness during the period, effective performance management of investigators with lower levels of performance than their peers was also hampered. The March reduction in Covid-19 restrictions has seen an increase in the support to investigators and we anticipate a further increase in productivity. We expect a small spike in attrition as new starters come to the end of their unsuccessful probationary period. We anticipate that those losses will not negatively impact performance.
15. Whilst established investigator productivity has increased monthly over the period from 3.45 in December 2020 to 4.46 In February 2021 we have seen our April intake out-perform our established investigators (3.13 to 4.60). There are a number within this cohort that have developed further into exceptional performers and we are exploring the lessons that can be learnt from this intake to shape future recruitment inductions and training practices, this is part of a workstream within the People Plan.
16. Core demand continues to outstrip closures therefore the PAP continues to grow. This leads to the average end-to-end customer journey time for low and medium complexity cases to continue to rise, exacerbated by old cases coming to conclusion. We anticipate that this will continue until we embed new ways of working and improve investigator productivity.

Ombudsman

17. The current number of active Ombudsman Final decisions is within our SLA of 14 days and is at 66 customers and 12 days. This is an improvement from a high of over 180 customers and 35 days at the beginning of January 2021. We have restructured of our Level 1 Ombudsman cohort into 2 teams to enable efficiency for customers through a consistent management approach, this has given us the ability to identify areas of support which enables case progression and allows us to focus workloads on priority tasks. It should also be noted that both levels of Ombudsman have a broader remit than decision making and that there are multiple decision types to consider.
18. An additional result of this intervention is the reduction in the time it takes for investigators to receive feedback on Quality and Feedback checks. This has reduced from 7 working days to within the agreed SLA of 2, this improves progression of individual investigator cases and give better in the moment feedback.

Work continues with this cohort to ensure consistency of approach and outcome.

Quality

19. Alongside the numerous initiatives that have been implemented on performance, there has also been an operational focus on quality throughout our current process to ensure that we are identifying issues at the earliest possible time and are offering the best quality service to our customer. Examples of these are:
 - A review of call standards and monitoring to increase quality and frequency. This will give more opportunity for in the moment feedback and real time improvements;
 - A thematic review of the scoping element of our current process, it has been identified that if this stage is incorrect it creates rework and delays for the customer. We will be initially focusing training and development effort on L1 ombudsman so that they can drive the quality and consistency in this area.

Keeping our customers updated

20. Around half the customer feedback received related to time spent in the PAP with no proactive contact from us. To improve the customer service to those customers waiting in the PAP we have piloted an email approach which both advises from what date similar cases are being assessed and offers an apology for the waiting time.
 - To improve transparency regarding wait times in the PAP;
 - To improve customers satisfaction around the quality of our communication; and
 - To reduce the number of service complaints relating to delay in the PAP
21. The original success criteria did not include a drive for earlier resolution as a result of better communication, but the team are monitoring this as a potential outcome . The first bulk email update went to a mix of 465 high, medium and low cases. The outcomes to date are;
 - Incorrect contact details being reported to us
 - 1 jurisdiction challenge
 - 1 case resolution
 - 1 message of thanks
22. The Customer Satisfaction Surveys are not carried out until the summer for low case complexity and towards year end for medium therefore we cannot determine impacts on that measure at this stage.

Managing absence through sickness

23. Sick absence is currently running an average of 11.04 days per. 50% of our absence is attributed to reasons of mental health/anxiety/stress, perhaps not unsurprising given the ongoing impact of a lengthy pandemic, it is something the Executive plan to focus on. The Executive has requested that HR coach and develop leaders across the business to proactively manage the long running absence cases and support colleagues during their absence. The Chief Operating Officer sponsors the Wellbeing network. The intention is to encourage our Line Managers as well as our 19 Wellbeing Champions, to offer support to colleagues in advance of them taking sick absence thereby moving us closer into the space of proactively managing attendance rather than managing absence. We will be increasing the profile of the Wellbeing Champions through the business and focusing activity in Stress Awareness Month in April.

People Plan

24. The Executive met in early March to reconsider its priorities and resources. Whilst all the activities are valid and necessary it was clear that not all of them could be taken forward simultaneously a point which RemCo had also made.
25. Neither the operational nor corporate teams can support the level of investment which the People Plan envisages if we are to also focus energies on achievement of the Priority 1 and 2 objectives. Resources in HR are currently very stretched also.
26. Therefore, the Executive have concluded that the following activity will be our priority in Q1 21/22.
 - Communications and engagement;
 - Job design and organisational structure;
 - Behavioural and Competency Framework simplification;
 - Evaluation of Leaders training;
 - Employee Relations to bring cases to manageable level with standard reporting.Phase 1 - upgrade of CiPHR and the introduction of the case management system;
- Review of Recruitment and Induction;
27. The Board should however be assured that the Executive will take every opportunity to progress the people agenda whether within or outside of the People Plan.
28. The full People Plan can be found at Annex C












Programme of work to achieve Business Plan Priorities 1 & 2

29. The Executive has been developing the key areas of focus for the reduction of the PAP. Indeed, some activity has already started. This will be managed with project disciplines and will have regular Executive oversight. As this work develops further the Executive will bring an update on progress to the Board.
30. We are considering a phased approach to activity. Phase one being those that are low risk to the business. Some examples of areas for consideration currently are;
- **Early resolution** – small sample undertaken of cases which were suitable for review under 5.7 of Scheme Rules resulted in a closure rate prior to investigation of almost 30%. We have now risk assessed this process and are planning a process change with enhanced training for our GET advisors to improve the front end of our business.
 - **Reasonable Offer Made** and **Guided Negotiation** – we believe that 20% of the cases in the PAP could be in scope. The sample showed that where the Service Provider had made an offer, there was sufficient information in low complexity cases to determine that these offers were reasonable in 40% of the cases. Another 40% were identified as suitable for negotiation which has led to case closures. A larger sample is now being undertaken.
 - **Robotic Process Automation** is on the cusp of rollout following successful trial. It removes human intervention from case creation and will free up staff to do work which is of more value to our customers. It will also prove that RPA can work and will allow us to consider other processes in Leo ripe for automation.
31. Phase 2 work is potentially higher risk or will take longer to implement. One such area of consideration is to introduce a new operational role of trainee/junior investigator. This will allow us to recruit colleagues at a more junior level, with different skills to undertake work at the front end of the process to ensure cases are investigation ready. This then frees up investigators to undertake their role more effectively. This new role will be trained in bite size activities which we will then consolidate before we deploy them to other parts of the process. This would provide for a more flexible workforce and would provide a career pathway between GET and the investigator role. This is at job description role stage and there is consultation and discussion needed with Remco, Staff Council and our wider workforce.
32. We recognise that change in LeO has not traditionally been managed well, this is reiterated in the Staff Survey 2019 and 2020. Engagement and communication with our workforce is vital in determining how successful LeO will be in both driving and implementing ideas for change.

33. The wider communication of the initial PAP reduction plan will begin week commencing 22nd March with an All Staff Briefing led by Elisabeth, Paul and Sandra. Linked to the LSB feedback, the update around investment funding and the launch of the 21/22 Business Plan we will want to bring staff on board with the plans to achieve our priorities, emphasising the urgency of addressing the backlog, the value for our customers and resetting the organisational view of the backlog , that it isn't "normal business".
34. Following the ASB the Operations Managers will invite all LeO staff to sessions to explain the challenge, the priorities and the Plan and help our people to understand the valuable contribution they make. We need to not only listen to our people we need to consider their views and provide feedback. An on-line Ideas portal has been built and our people will be invited to add suggestions which will be tracked to ensure feedback and transparency. Ongoing and regular communications are planned over the following months to update colleagues on progress and share the ongoing projects. Where possible these communications will come from the colleagues involved in the projects to continue to emphasise that this is an organisation wide priority. This will also overlap with wider communications about the full Business Plan to ensure the organisation has comprehensive information about our priorities and progress against them.
35. The Executive will keep the Board updated on progress. The Advisory group will also want to be engaged and progress will form part of our Mid-Year Business Plan Stocktake.

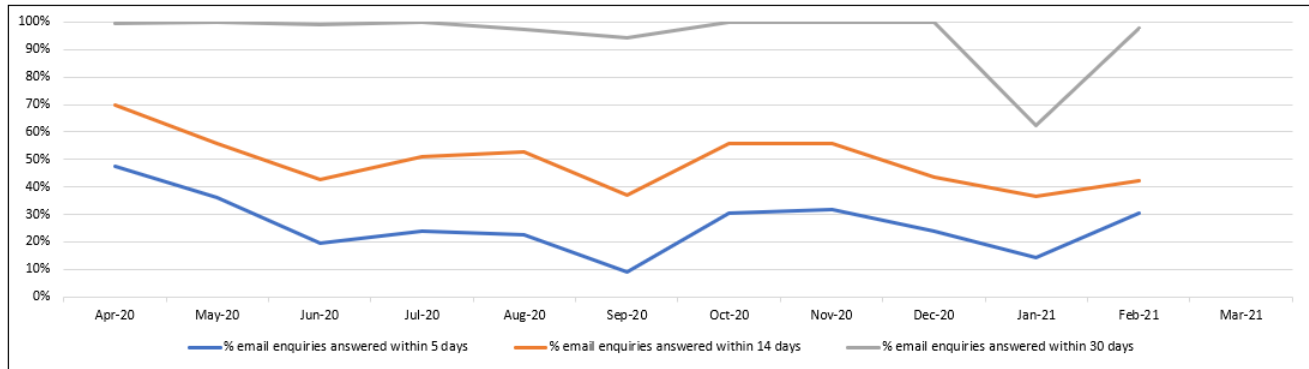
Appendix A – Performance Data

Summary of key data for the last six months

Measure	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Trend
Customer Journey Time (Avg. Low complexity)	222	220	232	248	270	279	
Customer Journey Time (Avg. Medium complexity)	312	346	323	325	362	377	
Customer Journey Time (Avg. High complexity)	676	612	545	458	681	623	
Rolling Annual Turnover Rate	17.1%	14.6%	14.6%	10.6%	9.1%	9.5%	
Rolling Annual Turnover Rate - investigators	20.4%	17.8%	16.9%	11.8%	10.9%	12.6%	
Sickness - lost days per head	11.10	10.96	11.30	11.38	11.45	11.04	
Volume of cases awaiting assessment (PAP) - end of month	4160	4330	4356	4500	4513	4637	
Productivity per (established) investigator	4.29	4.18	4.59	3.63	4.30	4.43	
% established / developing investigators	65%	67%	73%	73%	83%	82%	
Cases accepted for investigation	407	442	504	347	454	438	
Cases resolved after investigation	385	396	437	363	468	466	

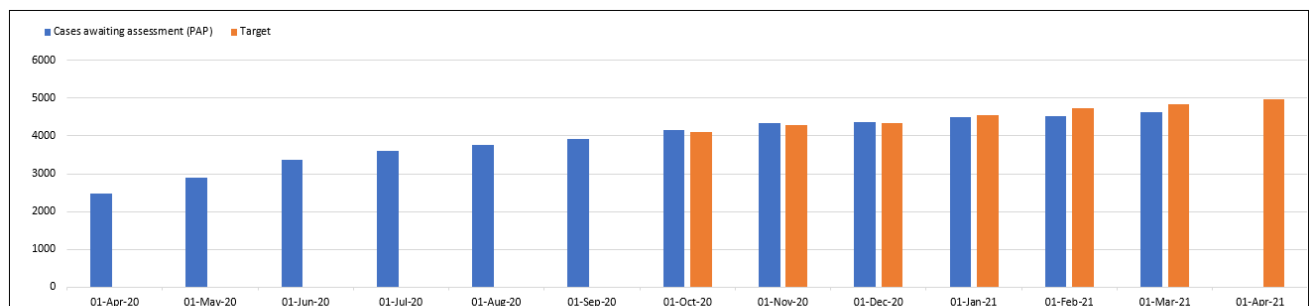
Appendix B – Performance Data

Service Level – General Enquiries Team



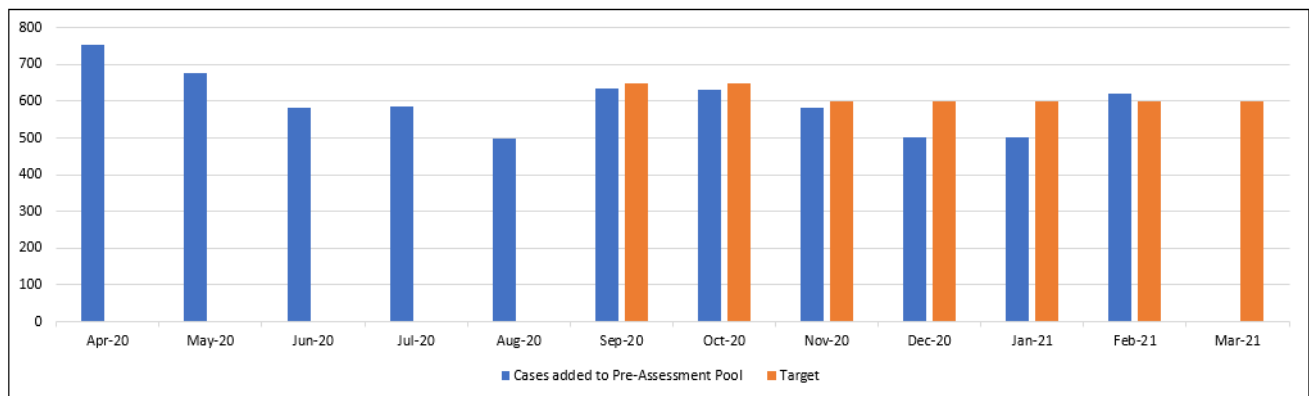
Metric	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21
% email enquiries answered within 5 days	47.4%	36.3%	19.4%	23.8%	22.5%	9.2%	30.5%	31.6%	24.1%	14.3%	30.4%	
% email enquiries answered within 14 days	69.8%	55.6%	42.5%	50.9%	52.9%	36.8%	55.6%	55.9%	43.5%	36.5%	42.3%	
% email enquiries answered within 30 days	99.6%	99.8%	99.0%	99.7%	97.3%	94.4%	99.9%	100.0%	99.8%	62.3%	97.7%	

Volume of cases awaiting assessment (PAP)



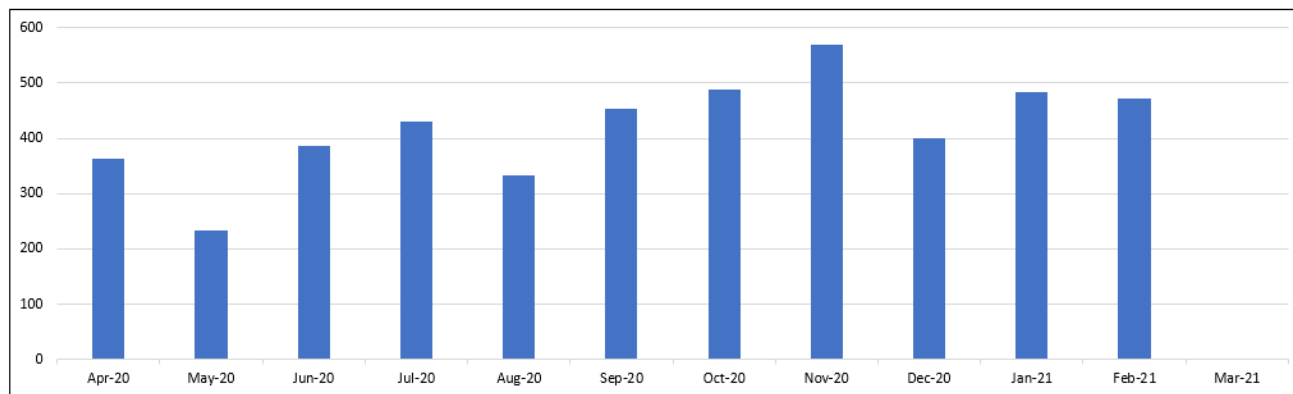
Metric	01-Apr-20	01-May-20	01-Jun-20	01-Jul-20	01-Aug-20	01-Sep-20	01-Oct-20	01-Nov-20	01-Dec-20	01-Jan-21	01-Feb-21	01-Mar-21	01-Apr-21
Cases awaiting assessment (PAP)	2464	2898	3360	3603	3757	3929	4160	4330	4356	4500	4513	4637	
Target	-	-	-	-	-	-	4112	4280	4353	4547	4729	4850	4968

Cases added to the Pre-Assessment Pool



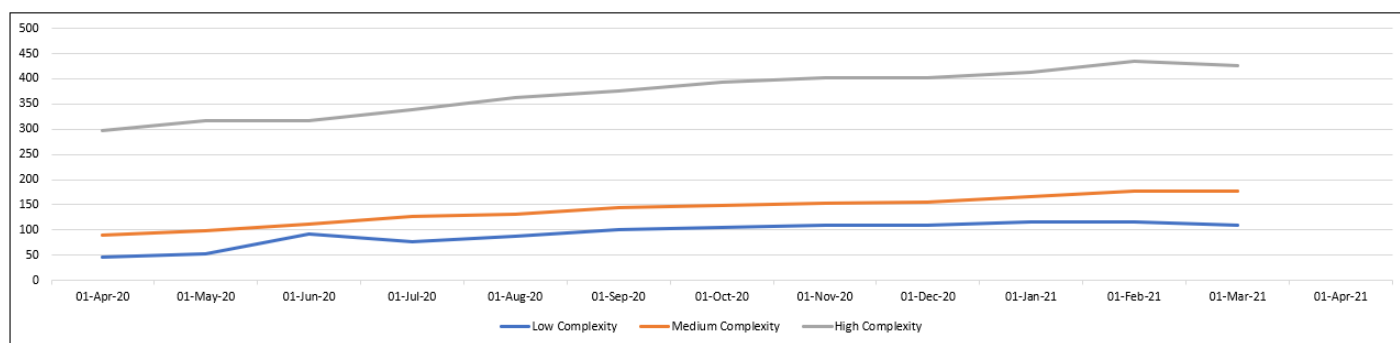
Metric	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21
Cases added to Pre-Assessment Pool	753	675	582	584	499	635	630	582	501	503	621	
Target	-	-	-	-	-	650	650	600	600	600	600	600

Cases taken from the Pre-Assessment Pool



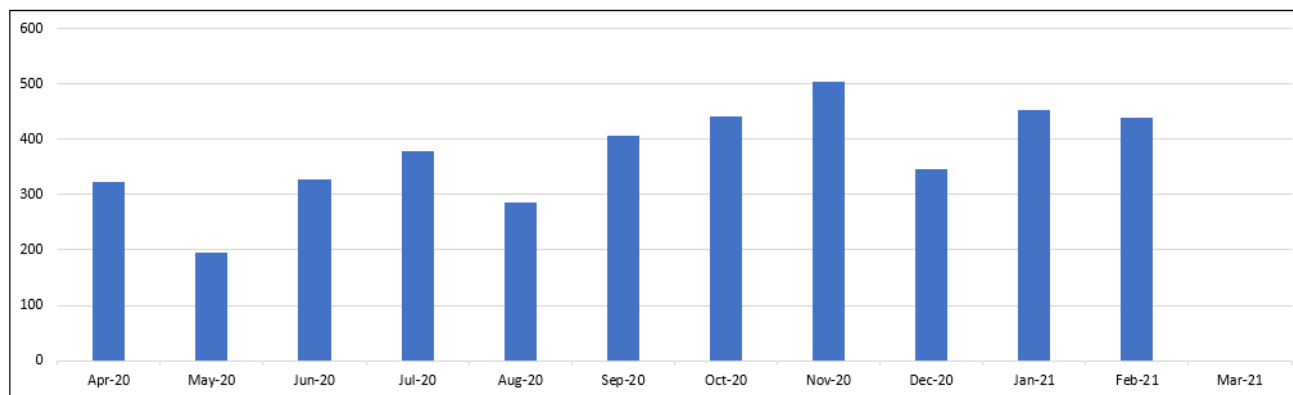
Title	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21
Cases taken from PAP	362	232	386	430	333	452	489	570	399	483	471	

Current average wait time in PAP



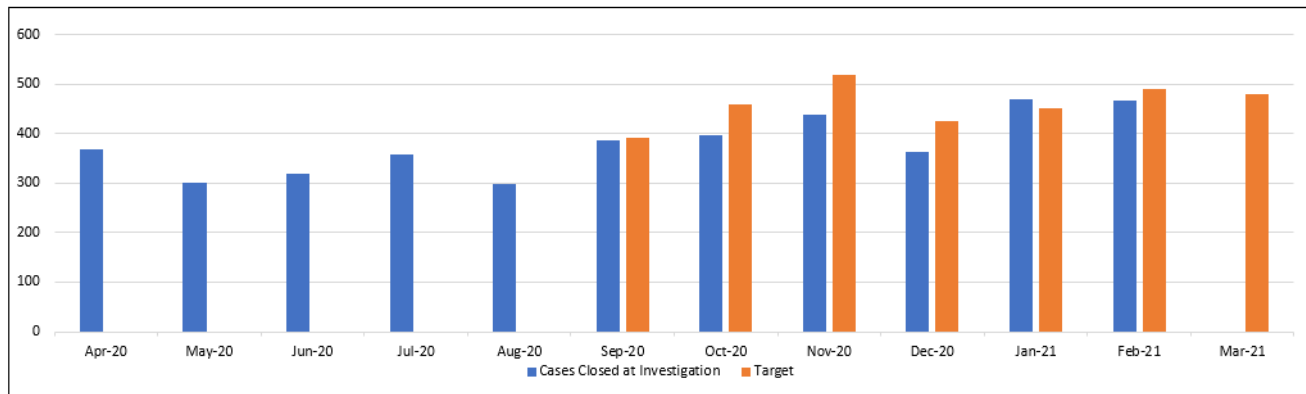
Title	01-Apr-20	01-May-20	01-Jun-20	01-Jul-20	01-Aug-20	01-Sep-20	01-Oct-20	01-Nov-20	01-Dec-20	01-Jan-21	01-Feb-21	01-Mar-21	01-Apr-21
Low Complexity	46	54	92	76	87	100	105	109	109	116	117	110	
Medium Complexity	90	98	112	126	131	145	149	152	155	166	176	178	
High Complexity	296	316	318	339	364	375	393	402	401	414	434	426	
All Cases	82	87	110	109	117	128	133	137	138	145	151	148	

Cases accepted for investigation



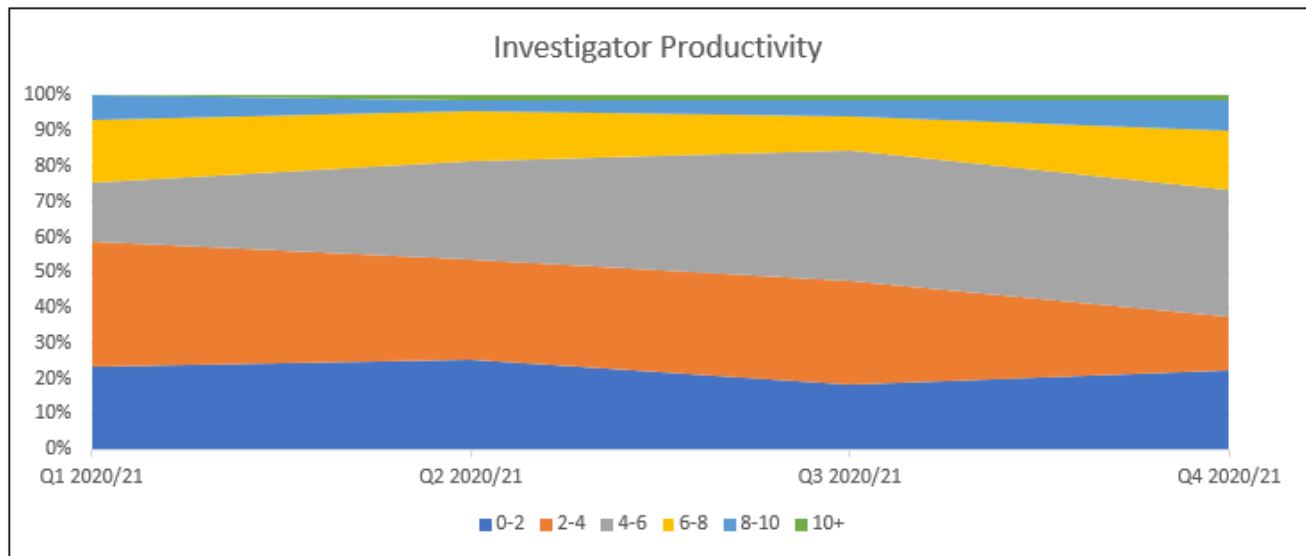
Metric	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21
Cases accepted for investigation	323	196	328	378	286	407	442	504	347	454	438	

Cases resolved at investigation

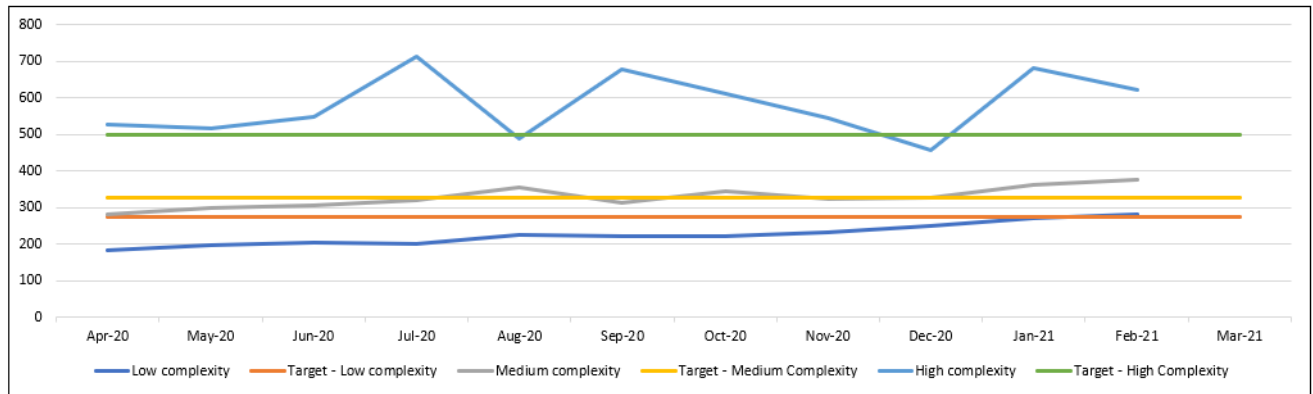


Title	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21
Cases Closed at Investigation	367	300	318	358	299	385	396	437	363	468	466	
Target	-	-	-	-	-	393	459	519	426	451	491	479
Agreed Outcome	44%	41%	53%	42%	36%	38%	40%	42%	39%	37%	40%	
Ombudsman Final Decision	31%	39%	25%	32%	41%	36%	32%	38%	34%	40%	35%	
Other	25%	20%	22%	26%	23%	25%	28%	20%	27%	23%	25%	

Cases resolved by investigators by quarter



Customer Journey Time



Average days to close	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21
Low complexity	182	197	204	202	226	222	220	232	248	270	279	
Medium complexity	281	297	306	318	355	312	346	323	325	362	377	
High complexity	526	518	547	713	489	676	612	545	458	681	623	

People Strategy – Appendix C

People Plan

Through the Covid-19 pandemic to date, the HR/OD team have provided a significant level of support to the organisation. Primarily, the priority has been supporting the organisation's response to the pandemic to minimise the impact on our ability to deliver for our customers.

Many of our colleagues have been impacted by Covid-19 in some way and we have had to build on LeO's flexible working practices to support colleagues who need to balance childcare and caring responsibilities and support their mental health and wellbeing.

Since the last Board update in January, the HR/OD team have extended their operational support but with additional independent strategic support and work of the Ops Transformation team have made the following progress against the People Plan as follows;

Project 1: Talent and Career Development – 2 out of 3 workstreams under way as planned Job Design and Competency Frameworks.

Project 2: Recruitment and Induction - both workstreams have been scoped and already incremental improvement work is under way and this has been prioritised for Q1.

Project 3: Employee Relations – 2 of the 3 workstreams are on track - Case Management Workbook and Flexible working. The CIPHR upgrade and introduction of the case management system has been reprioritised across Q1 and Q2 of 2021/22

Project 4: Performance & Training - 1 of 3 workstreams are on track - Implementation and evaluation of the Leadership Programme for Operations. The review of the appraisal scheme and an organisational training need analysis has been reprioritised for Q2.

Project 5: Reward and Recognition – workstream 1 has been recommended to be deferred to quarter 4 next year in light of the public sector pay freeze.

Project 6: Comms and Engagement – workstream 1 the current communications are focused on staff survey results and whilst engagement is increasing significant between management and Staff Council and the Network Groups the majority of this work will take place in Q2 and the recruitment of the Equality and Diversity Manager is in progress.

Project 7: Organisation Culture - single workstream proposed to defer to Q2

Both the HR team and People Plan Delivery Group have benefited from the discipline and dialogue that has led to the completion of 6 project charters leading to greater awareness of ambition, requirement of resource to achieve this and a clearer workplan for the financial year ahead. The appointment of a project manager has also improved the discipline of approach of the programme of work.

Communication about the People Plan has been drafted and will go to the Programme Control Board at the end of March. Communications were delayed in order to allow the new leadership team visibility of the programme and sponsorship.

In summary good progress has been made in the completion of the project charters alongside a significant operational workload. Visibility of the ambition, scope and approach has enabled reprioritisation of the programme of work cognisant of both HR capacity and operational priorities.

People Plan Programme Programme Phasing 2021/22

