Meeting	OLC Board Meeting	**Agenda Item No.** **Paper No.**	7 146.5
Date of meeting	29 April 2026	**Time required**	30 Minutes

Title	**Integrated Strategic Scorecard Q4 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 4 (Jan - Mar) 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 4.

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)

Our Strategic Scorecard ensures resources are used effectively by tracking key metrics on efficiency, case progression, and service quality. This allows us to identify improvements, reduce waste, and allocate resources where they have the greatest impact. By monitoring

performance closely, we maintain transparency and demonstrate our commitment to providing high-quality services that represent excellent value for money.

STRATEGIC SCORECARD

LEGAL OMBUDSMAN

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	13.3	↓	
Staff attrition	11.0%	→	
Staff turnover	11.0%	↑	
Investigator attrition	11.9%	↑	

VFM RESOURCES & GOVERNANCE

Metric	Quarter Performance	vs Prev Qtr	Trend
Total unit cost	£2,800.10	↓	
Cost per early resolution outcome	£402.52	↑	
Cost per investigation outcome	£2,305.72	↓	
Forecast year end position	0.0%	↑	
Number of strategic risks out of tolerance	0	→	
% of strategic risks and issues rated critical/high	50.0%	→	

OPERATIONAL PERFORMANCE & EFFICIENCY

Metric	Quarter Performance	vs Prev Qtr	Trend
New customer complaints received	4,361	↓	
Complaints resolved	2,229	↑	
All Closures	4,364	↑	
Unallocated investigations	2,767	↓	
% of investigations that found poor tier-1 complaints handling	45.6%	↓	
Established investigator productivity	6.4	↑	
% of enquiries received that are premature	45.9%	↑	
% of new customer complaints received that are premature	5.4%	↓	

CUSTOMER EXPERIENCE

Metric	Quarter Performance	vs Prev Qtr	Trend
Customer journey time - combined	243	↑	
Customer journey time - resolved in 60 days or less	31.1%	↓	
Customer journey time - resolved in 90 days or less	46.7%	↑	
Customer journey time - resolved in 180 days or less	62.9%	↑	
Customer journey time - resolved in 360 days or less	75.5%	↑	
Customer journey time - resolved in 540 days or less	88.3%	↑	
Customer journey time - resolved in 730 days or less	96.1%	↑	
Customer journey time - resolved in more than 730 days	3.9%	↑	
Combined wait times for unallocated investigations	220	↓	
Quality - reasonable outcome - early resolution	96.5%	↑	
Quality - reasonable outcome - investigation	80.6%	↓	
Quality - reasonable outcome - ombudsman	94.1%	↓	
Quality - reasonable service - early resolution	96.5%	↑	
Quality - reasonable service - investigation	81.8%	↑	
Quality - reasonable service - ombudsman	94.1%	↓	
CSat complainant: satisfied with outcome, satisfied with service	91%	↑	
CSat complainant: dissatisfied with outcome, satisfied with service	7%	→	
CSat service provider: satisfied with outcome, satisfied with service	94%	↑	
CSat service provider: dissatisfied with outcome, satisfied with service	44%	↑	
Average time in unallocated investigation queue for cases taken out	331	↓	

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 four (January - March 2026)

PEOPLE

Attrition (Target: 19%)

Attrition remains low and well below target at 8.3%, representing a 5.2 percentage-point improvement year-on-year and sustained progress in retention. Quarterly attrition has stayed stable throughout the year, closing at 1.8% in Quarter 4. Overall performance indicates that people and retention strategies are having a lasting, positive impact, supporting the ambition of becoming an employer of choice.

Sickness Absence (Target: 11 days per FTE)

Sickness absence shows clear year-on-year improvement, with the rolling 12-month figure reducing to 13.34 days in Quarter 4 (-14% vs last year). The profile of absence has improved, with a significant reduction in mental-health-related sickness and Covid-related absence now negligible, reflecting the continued impact of wellbeing and absence management interventions.

However, performance deteriorated in the second half of the year, with absence remaining above target. This increase is predominantly driven by a small number of long-term absence cases, leading to higher working time lost and increased cost in Quarter 4. Long-term absence remains the principal risk to further improvement.

VFM RESOURCES & GOVERNANCE

During Quarter 4, scoring has decreased for one key person issue and 4 strategic risks, with 4 now at or within optimal tolerance levels. Despite these improvements, half of the tracked risks and issues remain at critical or high levels—the key person issue, though less severe, is now rated as 'high.' The reduction in criticality stems from greater leadership resilience due to new permanent and temporary appointments, better succession planning, and less dependence on individual post-holders for maintaining organisational continuity. The drop in risk levels for the four identified risks is attributed to greater workforce stability and lower attrition rates, improved certainty in accommodation through secure lease, continued progress toward strategic objectives, and successful implementation of controls and mitigations that have decreased both the likelihood and impact of these risks.

Year-end underspend: £5,460 (-0.03% of the 2025-26 budget), within tolerance. The Executive mitigated delayed ministerial budget approval through proactive reallocation of funds to start transformation-project discovery research and priority development activity (Board effectiveness and strategy workshops, and management/Senior Leadership Team training).

Total unit cost rose by 18.7% in Q4, reflecting delivery of financial plans, training and IT developments deferred pending budget approval. Cost per early closure fell by 21%, driven by a 27% increase in early closures in Q4. Cost per investigation outcome rose by 10%, reflecting additional investigators recruited from late Q3/Q4 alongside a 4.6% fall in closures versus Q3.

OPERATIONAL PERFORMANCE & EFFICIENCY

Quarter 4 represented the strongest period of operational delivery during 2025/26. Resolution volumes increased across the quarter to 2,229, reflecting improved flow through the system and the cumulative impact of operational changes implemented earlier in the year. Closure performance strengthened across Early Resolution and investigation stages, supporting stability in work in progress despite sustained demand pressures. Demand remained exceptionally high throughout the quarter. New customer complaints received (4,361) were significantly above historic levels and markedly higher than the same period in the previous year. This continued volume of incoming work placed material pressure on the system, limiting the scope for reducing waiting volumes despite strong throughput. Unallocated investigations remained elevated across the quarter, with improvements constrained by the scale of inflows. Established investigator productivity improved during Quarter 4 to 6.4, recovering to levels more consistent with expectations following earlier volatility. This improvement reflects increasing operational stability as new models of working bedded in. Importantly, higher productivity was achieved without a corresponding deterioration in quality outcomes. Customer journey performance showed a mixed but improving profile. Progress continued in tackling older cases, contributing to improved outcomes at longer journey milestones. However, early stage pressures persisted.

Overall, Quarter 4 demonstrated improved operational grip and resilience in the face of sustained and unprecedented demand.

CUSTOMER EXPERIENCE

Customer journey time improved during Quarter 4, reflecting continued progress in moving older cases through the system and improved flow at later stages of the process. Performance at longer journey points strengthened compared with earlier quarters, although early stage pressures remained evident. The proportion of cases resolved within 60 days declined marginally in Quarter 4, driven by sustained demand levels and case complexity entering the system. Combined waiting times for unallocated investigations remained elevated across the quarter, with reductions constrained by the volume of new work received. Overall, Quarter 4 demonstrates improving journey performance for longer running cases alongside continued pressure at the front of the system.

Performance against quality metrics remains broadly consistent across this quarter. We have seen a pleasing ongoing increase in the performance against quality metrics for cases requiring an in-depth investigation. Although more work needs to be done to bring performance up to expected levels, the ongoing upwards trajectory reflects the hard work being done to improve the casework in that area.

Customer satisfaction continues to show that satisfaction with the outcome of the substantive investigation remains the principal factor in determining satisfaction with the service received. We will continue to look at ways of improving against that metric, but acknowledge that this variance is seen across the ombudsman sector and not specific to LeO.

Strategic issues and risks

Description	Risk Appetite	Q3 Issue Score	Q4 Issue Score	Tolerable Position	Trend	Controls and actions	Expected Completion Date	Q4 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 Q1/26/27 ongoing (revised date)	LeO can no longer deliver sustained reductions in its case backlog under the current operating model. Despite a prolonged period of continuous improvement that has delivered record levels of performance and productivity, demand is now overwhelming capacity. New customer complaints have grown by 37.5% year on year, equating to almost 4,000 more cases than planned. This growth means LeO cannot both keep pace with new, sector-led complaints and reduce the large number of cases already waiting to be investigated. LeO continues to innovate. AI deployment and Lean Phase 3 are expected to deliver over 30% additional output in 2026/27. However, even with these improvements—and without further investment in the current model—the organisation will still be left with an unacceptable queue of cases, limited ability to absorb further demand growth, and insufficient capacity to materially improve the customer journey. As a result, incremental change is no longer enough. Full scheme transformation, built around a new target operating model, is now the only viable option to resolve the structural tension between reducing backlogs, managing rising demand, and delivering the customer experience set out in the business plan.	Service

Strategic issues and risks

Description	Risk Appetite	Q3 Issue Score	Q4 Issue Score	Tolerable Position	Trend	Controls and actions	Expected Completion Date	Q4 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. • Close collaborations between Ops and CE&I, using newly developed dashboard to easily identify knew and emerging demand for example motor finance mass claims. Working group set up between Ops and CE&I to share Insight to address with legal sector and regulators.	Ongoing Ongoing Ongoing Ongoing Completed End of April 25/26 and ongoing Ongoing	LeO can no longer deliver sustained reductions in its case backlog under the current operating model. Despite a prolonged period of continuous improvement that has delivered record levels of performance and productivity, demand is now overwhelming capacity. New customer complaints have grown by 37.5% year on year, equating to almost 4,000 more cases than planned. This growth means LeO cannot both keep pace with new, sector-led complaints and reduce the large number of cases already waiting to be investigated. LeO continues to innovate. AI deployment and Lean Phase 3 are expected to deliver over 30% additional output in 2026/27. However, even with these improvements—and without further investment in the current model—the organisation will still be left with an unacceptable queue of cases, limited ability to absorb further demand growth, and insufficient capacity to materially improve the customer journey. As a result, incremental change is no longer enough. Full scheme transformation, built around a new target operating model, is now the only viable option to resolve the structural tension between reducing backlogs, managing rising demand, and delivering the customer experience set out in the business plan.	Service

Strategic issues and risks

Description	Risk Appetite	Q3 Issue Score	Q4 Issue Score	Tolerable Position	Trend	Controls and actions	Expected Completion Date	Q4 update	Strategic Objective (service Impact)
Risk									
SI.03 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 Q1 2026/27/Ongoing (revised)	LeO can no longer deliver sustained reductions in its case backlog under the current operating model. Despite a prolonged period of continuous improvement that has delivered record levels of performance and productivity, demand is now overwhelming capacity. New customer complaints have grown by 37.5% year on year, equating to almost 4,000 more cases than planned. This growth means LeO cannot both keep pace with new, sector-led complaints and reduce the large number of cases already waiting to be investigated. LeO continues to innovate. AI deployment and Lean Phase 3 are expected to deliver over 30% additional output in 2026/27. However, even with these improvements—and without further investment in the current model—the organisation will still be left with an unacceptable queue of cases, limited ability to absorb further demand growth, and insufficient capacity to materially improve the customer journey. As a result, incremental change is no longer enough. Full scheme transformation, built around a new target operating model, is now the only viable option to resolve the structural tension between reducing backlogs, managing rising demand, and delivering the customer experience set out in the business plan.	Service

Strategic issues and risks

Description	Risk Appetite	Q3 Issue Score	Q4 Issue Score	Tolerable Position	Trend	Controls and actions	Expected Completion Date	Q4 update	Strategic Objective (service Impact)
Issue									
SI.04 Key Person Dependency (Single Point of Failure)	Open	**20**	12	**Within tolerance**	⇩	**Actions** • New HR System • Implementation of Business Unit risks of each Business area showcasing role criticality	Q3 26/27 Q1 2026	The key person risk is now assessed as being within tolerance following significant improvements in organisational resilience achieved over the quarter. These improvements have strengthened capability and coverage across critical roles, resulting in a reduced likelihood of disruption arising from the loss of key individuals. However, further executive discussion is planned to determine whether this should continue to be managed as a strategic issue or be reclassified as an operational risk. This decision will be informed by additional analysis and data gathering, which may provide further assurance and potentially reduce the assessed impact.	Service

Strategic issues and risks

Description	Risk Appetite	Q3 Risk Score	Q4 Risk Score	Tolerable Position	Trend	Controls and actions	Expected Completion Date	Q4 update	Strategic Objective (service Impact)
Risk									
SR.01 Leadership resilience	Cautious	**8**	**4**	**Optimal**	⇩	**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 • New HR System	Ongoing Ongoing Ongoing Q3 26/27	The leadership resilience risk has reduced in likelihood following the successful appointment of the Chief Ombudsman, which has provided greater stability and continuity at senior leadership level. This has been further supported by evidence of effective interim arrangements during the period of organisational change, demonstrating the capability and depth of leadership across key roles. These improvements have been consistently reflected throughout the management hierarchy, indicating strengthened succession planning and enhanced organisational resilience.	Service

Strategic issues and risks

Description	Risk Appetite	Q3 Risk Score	Q4 Risk Score	Tolerable Position	Trend	Controls and actions	Expected Completion Date	Q4 update	Strategic Objective (service Impact)
Risk									
SR.02 Budget Variance Against Forecast	Minimal	**8**	**4**	**Within tolerance**	⇩	**Controls** • Monthly Financial Budget Reviews **Actions** • Potentially more key risk indicators following linkage of Business Unit Risks	Ongoing Q1 26/27	The year ended with an underspend of £5,460, representing -0.03% of the 2025–26 budget, which is well within the agreed tolerance level. Regular monitoring by the Executive Team ensured that emerging slippage in financial plans was proactively managed, with funding redirected on a forward-looking basis to commence research activities for the Transformation Programme, thereby supporting the discovery phase.	Service

Strategic issues and risks

Description	Risk Appetite	Q3 Risk Score	Q4 Risk Score	Tolerable Position	Trend	Controls and actions	Expected Completion Date	Q4 update	Strategic Objective (service Impact)
Risk									
SR.03 Accommodation Risk	Cautious	**8**	**6**	**Optimal**	⇩	**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	Given the security of the current lease until 2029 and the low likelihood of near term exposure, the accommodation risk is assessed as low and within tolerance. It is therefore more appropriately managed at project level through planned estates and accommodation activity, rather than retained on the strategic risk register.	Service

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Strategic issues and risks

Description	Risk Appetite	Q3 Risk Score	Q4 Risk Score	Tolerable Position	Trend	Controls and actions	Expected Completion Date	Q4 update	Strategic Objective (service Impact)
Risk									
SR.04 Failure to deliver new impact objective	Open	12	12	**Within tolerance**	⇔	**Actions** • Recruitment of team members to support internal and external insight activities • Dashboard creation and control creation	Q3-Q4 Ongoing	Q4 was a strong quarter of delivery against our strategic impact objective. Notable outputs included two editions of our Spotlight series – one on early resolution, and one on residential conveyancing, both of which generated strong media coverage and sector engagement. We added 17 case studies to our website library, and published a further eight Public Interest Decisions, furthering LeO's commitment to transparency. We also published our Q3 complaints data – receiving the highest level of media coverage to date for any of our insight publications. Finally, two major projects progressed significantly, with the launch of the digital learning platform pilot, and the publication of the MCRP call for input. Stakeholder engagement and communications activity over the quarter – in addition to supporting the above outputs – has focused on supporting LeO's leadership transition. Ahead of the new Chief Ombudsman starting in February, planning was undertaken to identify priority areas for stakeholder engagement, to ensure continuity of relationships and provide clarity on organisational direction. Support was also given to the appointment process for the new OLC chair. Resourcing pressures in the Communications, Engagement and Impact team eased temporarily with the appointment of a Corporate Publications and Content Manager in February, to lead on LeO's corporate reporting, content production and social media management. Unfortunately, this position has not been filled permanently and will be readvertised in Q1 2026-27.	Service

Strategic issues and risks

Description	Risk Appetite	Q3 Risk Score	Q4 Risk Score	Tolerable Position	Trend	Controls and actions	Expected Completion Date	Q4 update	Strategic Objective (service Impact)
Risk									
SR.05 Staff Attrition – Overall Attrition	Open	8	4	Optimal	⇩	**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 initiatives implemented to help reduce the excessively high attrition have demonstrated the impact sought, with overall attrition continuing to fall, standing at 10.2% against a target of 19%.	Service

Strategic issues and risks

Description	Risk Appetite	Q2 Issue Score	Q3 Issue Score	Tolerable Position	Trend	Controls and actions	Expected Completion Date	Q4 update	Strategic Objective (service Impact)
Risk									
SR.06 - Enterprise Strain from Transformation Demands Formally known - Operational Strain from Transformation Demands Enterprise Stain from Transformation Demands	Open	**9**	**9**	**Optimal**	⇔	Development of transformation risks at the business unit level, ensuring that each unit-specific risk feeds into the overarching strategic transformation risk.	**Q1 2026**	During Quarter 4, the transformation risk was reviewed and reframed as an umbrella strategic risk in recognition of the scale and duration of change required over the coming years. This reflects the organisation's transition from preparatory activity into formal transformation, commencing with a discovery phase in 2026/27. Governance arrangements have been strengthened to ensure clear ownership, oversight and separation between strategic transformation risk and project-level risks. Discovery and design activities will be managed at project level through dedicated risk logs and controls, with escalation routes in place where strategic tolerances may be approached or exceeded. While no material adverse impacts have crystallised to date, the risk remains live given the inherent uncertainty associated with early-stage transformation and the need to balance change activity alongside business-as-usual delivery. The residual risk score remains unchanged at year-end, reflecting the forward-looking nature of the programme rather than any deterioration in the current control environment.	Service