

Dr Helen Philips
Chair
Legal Services Board
One Kemble Street
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WC2B 4AN

29 January 2019

Dear Helen

VOLUNTARY PERFORMANCE ASSURANCE REPORT

I am writing to provide the OLC's voluntary performance assurance report following the Board meeting on 28 January. Full details are set out in the quarterly strategic update paper. Marina Gibbs and Neil Buckley attended for this item and provided a helpful overview from the LSB.

Commentary on performance

The headline points from the Board's discussion were:

- the build-up and age of assessment work remains a key issue; further improvements in the front-end of the process following our transformation work, and significantly improved performance in the General Enquiries Team, have substantially increased volumes awaiting assessment; this, alongside improvements in the speed of ombudsman decisions, makes improving the central part of the process - investigation output - the key priority to improve flow in the coming period;
- Board remains disappointed by low output relative to the delivery plan, and challenged the executive about whether its recruitment and turnover assumptions had been overly cautious; the executive explained that it had been concerned to 'taper' resources to operate within the lower budget envelope in 2019-20 and given uncertainty about the impact of CMC transfer on staffing levels in the legal jurisdiction from April 2019;
- Board commended the significant progress with modernisation and the reduction in risk exposure as a result of successful implementation of a mandatory upgrade to the case management system and transfer of all cases to the new case management system; and
- Board noted the increasing risks around operational resourcing, linked to challenges with culture, staff engagement and sickness, and the risk of further turnover given increasing competition in the local labour market; these factors present both reputational and

delivery risk and will need careful management in the context of ongoing variation in performance.

The OLC Board remains concerned about performance and will not feel performance is satisfactory until there is sustainable delivery against the new KPIs. Our expectation remains that despite an improving timeliness trajectory during 2018-19, it will take until early 2019-20 to sustain more consistent performance and output.

Performance against external KPIs

A summary of performance against monthly timeliness KPIs appears in Appendix 1.

Current and forecast timeliness performance remains strong in terms of all KPIs other than the all case 180 day KPI which, as previously forecast, will not achieve target.

The OLC Board was pleased to note the continuing recovery of CMC timeliness performance after a temporary backlog during Q1. CMC service provider satisfaction fell below tolerance but needs to be treated with caution due to the very small sample size.

Lower than planned closures means legal unit cost remains outside tolerance. This is unlikely to recover as we cannot achieve a short-term increase in staffing levels over the remainder of 2018-19 and then achieve the lower establishment required by our indicative 2019-20 budget.

Turnover and sickness absence KPIs both remain above target. This is forecast to continue in light of work to improve performance and significant levels of competition in the local market.

Performance against delivery plan

Overall volume performance remains behind plan and the associated business plan deliverable has a red status as output will not recover within tolerance in this financial year.

Lower than planned output largely reflects staffing issues. The available productive resource has not achieved expected levels since Q1, and significant variation in output remains.

Staffing capacity has been impacted by high levels of turnover and sickness.

The executive has sought to maintain staffing at appropriate levels as we move into the new financial year without additional resources for legacy work. The tapering effect, and legal constraints on outsourcing casework, make short-term increases in resource very difficult to achieve. Uncertainties about the outcome of CMC transfer also impacted staffing levels; in late January the majority of CMC staff confirmed their intention to transfer to FOS.

Plan to improve performance

The OLC Board has encouraged the executive to look at options to develop and pilot new delivery models. Emerging plans will require investment and time to scope effectively.

The executive reported that a major investigator recruitment campaign, which follows a redesigned process, person specification and assessment tools, is progressing well. A series of assessment centres will take place in early February with a view to at least one new team joining the organisation in March 2019.

Significant effort is being made to improve performance. The executive highlighted some of the associated challenges and issues, which will be closely monitored through the work of the OLC's Remuneration and Nominations Committee.

Board noted a number of initiatives to improve performance, including work to improve case flow by revising caseholdings, new workload management guidance that mandates case progression against milestones and performance commitments in terms of closure volumes.

As these initiatives begin to impact performance, output should increase. This will enable the volume and age of assessment work to reduce to more sustainable levels.

The executive also confirmed that they are developing a proposed new strategic measure for assessment work as an important indicator of flow and the efficient operation of the new business process.

Assurance about future performance trajectory

The Board reviewed the future timeliness and delivery plan forecasts. Further short-term fluctuations are likely before performance stabilises. Closures for January are expected to be below the original target (set before the start of 2018-19) due to staffing issues explained above.

Board noted the need to maximise performance and output over the remainder of 2018-19, and that annual output will be lower than tolerance (ten per cent below target) given staffing levels, turnover and the impact of performance management initiatives.

We have asked the executive to maximise output and flow over the remainder of 2018-19, so that we move into 2019-20 in the best possible position to sustain good performance.

Yours sincerely



Wanda Goldwag
Chair, Office for Legal Complaints

Appendix 1 – performance against timeliness KPIs

Measure	KPI	April	May	June	July	Aug	Sept	Oct	Nov	Dec
% LEGAL cases concluded in new CMS										
90 days (legal – low)	60%		100%	100%	100%	89%	91%	82%	86%	84%
90 days (legal – med)	30%		100%	100%	100%	73%	61%	44%	52%	61%
90 days (legal – high)	0%		0%	0%	100%	40%	45%	0%	0%	50%
180 days (legal - low)	85%		100%	100%	100%	100%	100%	97%	99%	99%
180 days (legal - med)	80%		100%	100%	100%	100%	99%	87%	98%	92%
180 days (legal - high)	30%		0%	0%	100%	100%	100%	80%	85%	50%
365 days (legal – low)	99%		100%	100%	100%	100%	100%	100%	100%	100%
365 days (legal – med)	90%		100%	100%	100%	100%	100%	99%	100%	100%
365 days (legal – high)	85%		0%	0%	100%	100%	100%	93%	100%	100%
% legal cases (all complexity) concluded										
Within 90 days	26%	11%	19%	20%	23%	32%	33%	38%	41%	45%
Within 180 days	72%	46%	45%	34%	29%	47%	51%	56%	60%	62%
Within 365 days	90%	96%	91%	92%	90%	91%	90%	89%	90%	91%
% CMC cases (all complexity) concluded										
Within 90 days	60%	27%	20%	24%	29%	28%	54%	44%	65%	83%
Within 180 days	90%	88%	80%	95%	93%	90%	87%	66%	86%	94%
Within 365 days	100%	100%	100%	100%	100%	99%	100%	99%	99%	98%