

## Legal Ombudsman performance against LSB s.120 targets

Target	description	Target	Performance to 31 January 2016	Target met
1. Timeliness:	The number of cases resolved within 90 days (from first point of contact) must not fall below 60% in any month	<b>90 days: 60%</b>	<= 56 days: (151 out of 642 cases accepted in November 2015 – 23%) <b>&lt;= 90 days: (314 out of 659 cases accepted in October – 48%)</b> <= 180 days: (505 out of 573 cases accepted in July 2015 – 88%) <= 365 days: (351 out of 352 cases accepted in January 2015 – 99.7%)	No
2. Unit cost:	The unit cost per case must not exceed £1,750 in any quarter. Unit cost will be reported quarterly, on a rolling twelve-month basis.	<b>£1,750 (Rolling 3 months)</b>	Rolling Quarter: (November, December, January) £1,587  12 month average to December 2015: £1,790	Yes
3. Quality:	The average satisfaction of complainants and lawyers (regardless of the outcome of the case) must not fall below 40% in any quarter.	<b>40%</b>	Overall satisfaction reported in the most recent independent customer satisfaction data, for cases closed to 30 September 2015:  <b>55%</b>	Yes

Where any of the targets are not met, the OLC is required to provide two supplementary reports to the LSB. These are provided below:

### 1. The reasons for the failure to meet the 90 day time target

The failure to meet the 90 day time target remains the result of a combination of the following factors.

- a) *Technical difficulties with the Case Management System:* System interruptions experienced in October and November continue to impact on the timeliness measures for these months.
- b) *Short term impacts of changes to Ombudsman working practices and Ombudsman workload management:* The changes to Ombudsman working practices and workload management detailed in previous months remain. The average “wait” for a final Ombudsman decision (what the Legal Services Act refers to as a “determination”) has fallen to an average of around four weeks as at the end of January 2016.
- c) *Lower than planned investigator resource resulting in delays to allocation of cases to investigators:* During October, November and December a number of investigators left, or were seconded to interim Ombudsman positions. In addition during this period there was an unusually high level of long term sickness. As a result of these factors there has been significant delays between acceptance of complaints and their allocation to an investigator.

## **2. Details of timetabled remedial action proposed to bring performance back into compliance with targets.**

Taking the two factors identified above in order:

*Technical difficulties with the Case Management System;* Planned changes implemented by the system supplier to improve to the infrastructure and resilience of the system have resulted in system stability since mid-December 2015. However, the impact of past disruption continues to be seen in the timeliness measures for the months of October and November during which period frequent system performance issues occurred.

*Short term impacts of changes to Ombudsman working practices:* Additional fixed term Ombudsman resource has been appointed and the wait for an Ombudsman decision is now being reduced. Forecast resource plans anticipate that this issue will be largely resolved by the end of February 2016, which will be ahead of our original projections..

*Lower than planned investigator resource;*

The numbers of cases accepted in October and November and December were relatively high compared to activity earlier in 2015 and this, combined with a number of leavers combined with the reallocation of resource to ombudsman decisions is now leading to a wait between when we accept cases for investigation and when these are allocated to an investigator of around 10 working days as at the end of January 2016. This, combined with a number of leavers and secondments is resulting in further downward pressure on the timeliness measures for cases accepted in November and December 2015. This is likely to continue to do so until additional resource is in place.

In response to the downturn in demand in the first 9 months of 2015, executive management did not replace investigator or assessor resource as staff turnover occurred. The impact of recent new spending control restrictions implemented by the Ministry of Justice on 27 October has resulted in a delay to implementation of recruitment activities while approvals to recruit to these front line and business critical posts were submitted and approval obtained from the Ministry of Justice. Recruitment of investigator and assessor resource commenced on 6 January 2016 recruit front line resources required to meet expected demand. Activity is underway to recruit new front line resource to start in April 2016 and to be operationally active by May 2016, and investigators have been required to carry increased case-holdings in order to minimise the impact on our customers.

## **3. Unit Cost**

The Unit Cost measure comprises all cases<sup>1</sup> resolved during a period divided by the total expenditure of our Legal jurisdiction activities. The fixed nature of the organisation's cost base makes the current Unit Cost measure highly sensitive to short term changes in activity volumes and the key driver in the increase in our Unit Cost is a reduction in overall demand since January 2015.

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<sup>1</sup> Cases = Complaints that we investigate, excluding any complaints which we start to investigate but find not to fall within our jurisdiction,

As outlined in our previous letters, since January 2015 we have seen a substantial reduction both in the number of inbound contacts<sup>2</sup> to our assessment centre and the number of complaints that we have accepted for investigation which have resulted in the rolling 3 month unit cost exceeding the target of £1,750 per case. Expenditure in over the past three months was below budget and forecast, while operational performance in December was strong with more cases than expected being resolved in the lead up to the Christmas period. Finally the summer months where case resolution volumes were low have now fallen out of the rolling 3 months period.

As a result of these three factors the unit cost target of £1,750 for the rolling 3 months was met. As the higher cost run rate of late 2015 falls out of the rolling 12 month period, this measure is also expected to reduce further towards the 2015-16 target of £1,750 per case.

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<sup>2</sup> Contacts = Inbound calls to the assessment centre plus complaint files created as a result of e-mails and letters.