

7 November 2016

Section 120 Quarterly Performance – Q2

The logo for the Legal Ombudsman features the word "LEGAL" in a bold, pink, sans-serif font. A large, elegant, pink cursive flourish is positioned above the letters "L", "E", and "G". Below "LEGAL", the word "OMBUDSMAN" is written in a black, all-caps, sans-serif font.
LEGAL
OMBUDSMAN

1. Introduction:

1.1. The purpose of this report is to provide the Legal Services Board (LSB) with an overview of the performance of the Legal Ombudsman (legal jurisdiction) for quarter 2 (2016/17). This is in line with your requirements of Section 120 of the Legal Services Act 2007, as outlined in paragraph 3 of Appendix A to your letter dated 11 April 2016.

1.2. The report provides an assessment of the performance of the scheme, focussing in particular on three key areas:

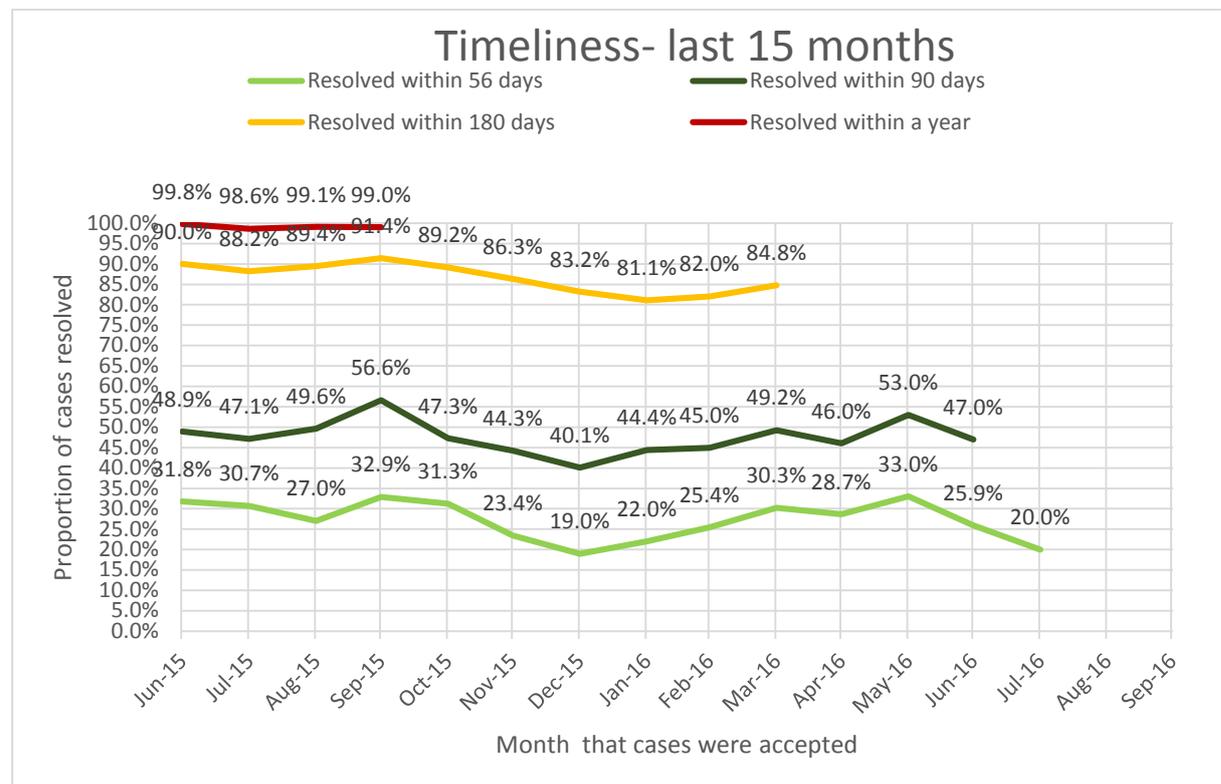
- Timeliness
- Quality
- Costs

1.3. The report also sets out an overview of the actions and interventions that have been taken or are planned, in order to improve performance in areas where the Office for Legal Complaints' (OLC) expectations have not been met.

2. Timeliness:

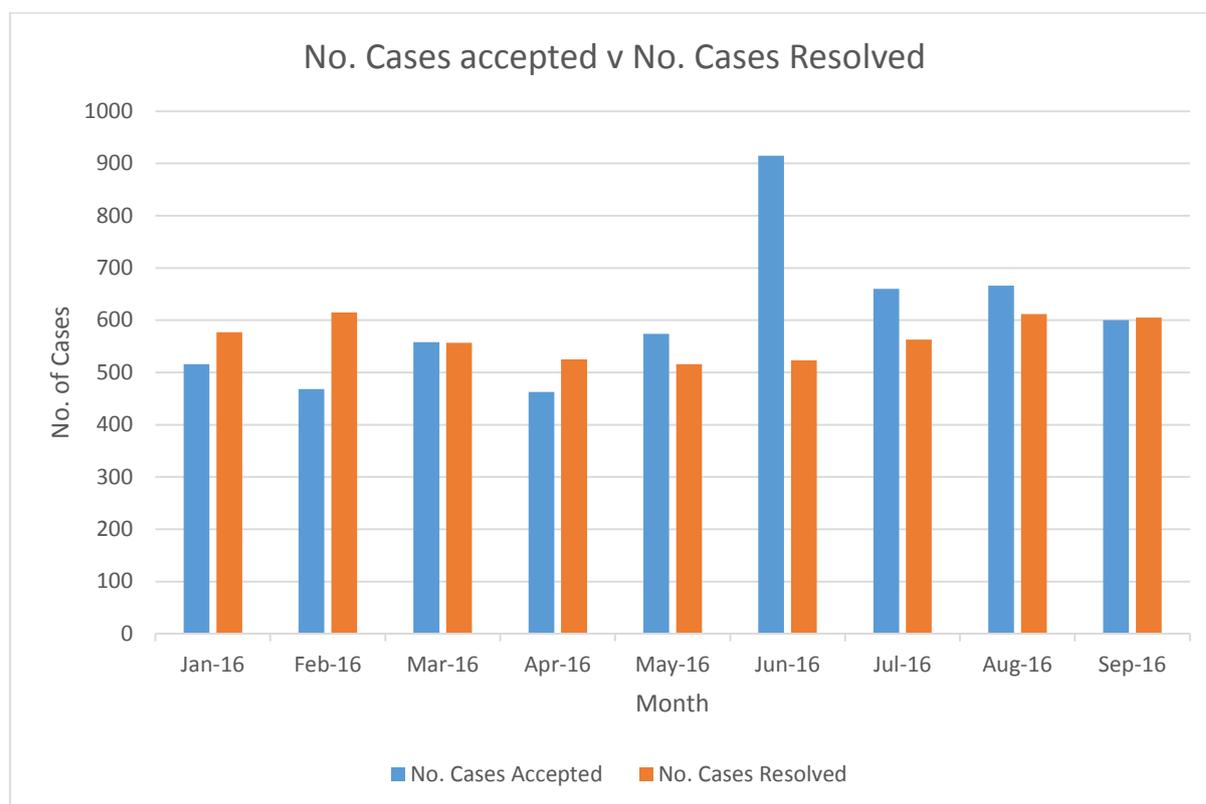
2.1. During quarter 2, timeliness performance has remained broadly consistent and in line with the OLC's expectations. Timeliness performance is illustrated in the graph below (figure 1).

Figure 1 – Legal Jurisdiction Timeliness Performance



- 2.2. Figure 1 illustrates that 180 day timeliness has continued to improve during the quarter and is progressing towards the OLC's target of 90%.
- 2.3. Figure 1 also illustrates that 90 day timeliness has not significantly improved and remains well below the OLC's target of 60%.
- 2.4. The OLC's expectations on timeliness are shaped by their understanding, which is shared by the Chief Legal Ombudsman, that the principal barrier to improving timeliness performance has been the queues and backlogs at key points in the case management process. The OLC welcomes the measures being taken by the Chief Legal Ombudsman and her leadership team to rectify those issues, ensure that they remain visible to the Board and achieve sustainable improvement.
- 2.5. It was previously reported to the LSB that tackling these backlogs would be a key priority for the OLC. This remains the case.
- 2.6. In addition, it was reported in the quarter 1 performance report to the LSB that the introduction of replacement staff, following the MoJ recruitment freeze, was a key event in the improvement of performance.
- 2.7. The newly recruited staff were inducted in April, trained in May and became fully effective in June, and the graph in figure 2 illustrates the impact of these extra staff on the flow of work (at nearly twice the level of a normal month) out of the Assessment Centre and an increase in the number of cases requiring investigation. The flow of work through the Assessment Centre has now returned to more normal levels and is being closely monitored by the Chief Legal Ombudsman. This experience has also illuminated the absence of a suitable metric or measure from which the Chief Legal Ombudsman or the OLC can obtain appropriate assurance on the time taken for a case to be dealt with in the Assessment Centre. Discussions are currently taking place in order to agree how best to address this.

Figure 2 – The Number of Cases Accepted / The Number of Cases Resolved

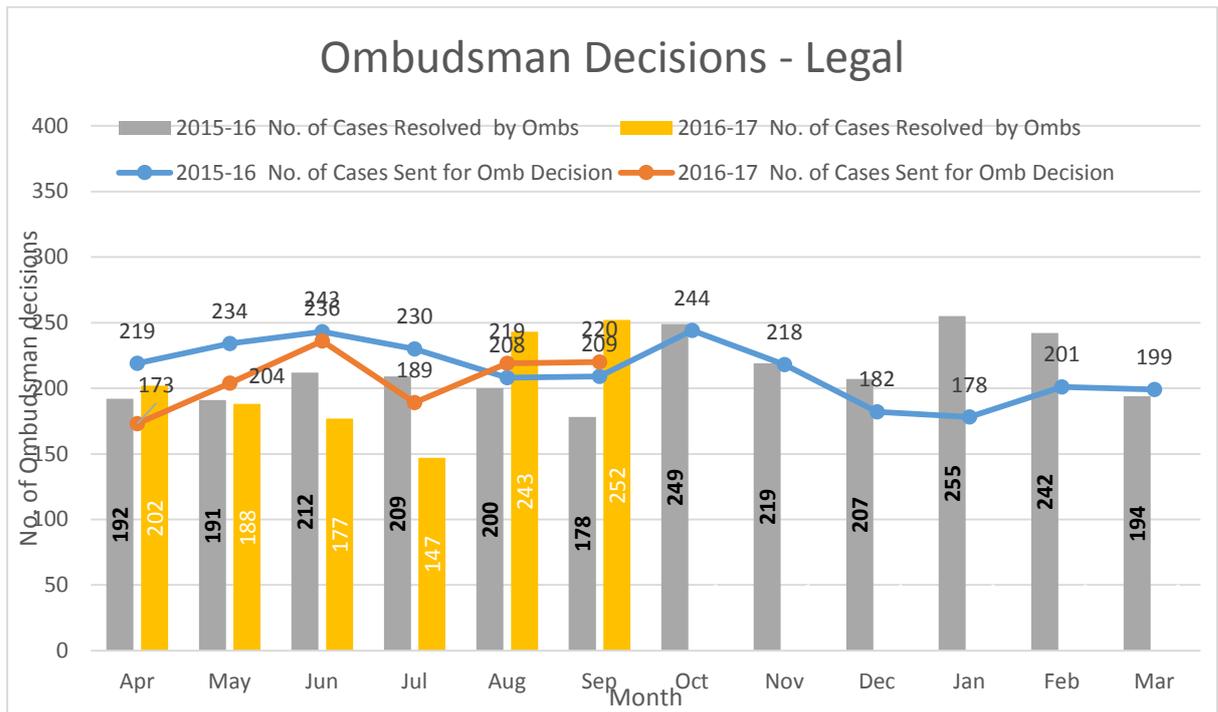


2.8. In the Resolution Centre, the acceptance of such a large number of cases for investigation in June has created an unprecedented backlog of unallocated investigations. Currently, this is adding a delay of around one month to the time taken to investigate each case, ultimately impacting on performance against timeliness targets.

2.9. The graph in figure 2 is also indicative of the incremental improvement in productivity within the Resolution Centre since June, which can in part be attributed to the arrival of the newly recruited staff, in addition to some of the initiatives outlined in section 5.

2.10. The final point within our business process which has historically been prone to backlogs has been at the Ombudsman decision stage, which has had a significant impact on timeliness performance and to an extent customer satisfaction results. In quarter 1, the backlog peaked at approximately 310 cases awaiting decision. A significant amount of work has been undertaken to increase the number of Ombudsman decisions made in quarter 2, as shown in the graph in figure 3. As a result the Ombudsman work in process has reduced to around 200 cases awaiting decision. It is anticipated that as the backlog at the resolution stage of the process, outlined above, is reduced, the Ombudsman team will remain under pressure to maintain throughput. However, the OLC and Chief Legal Ombudsman are confident that the Ombudsman team now have the leadership, direction and flexibility to remain resilient to respond to this.

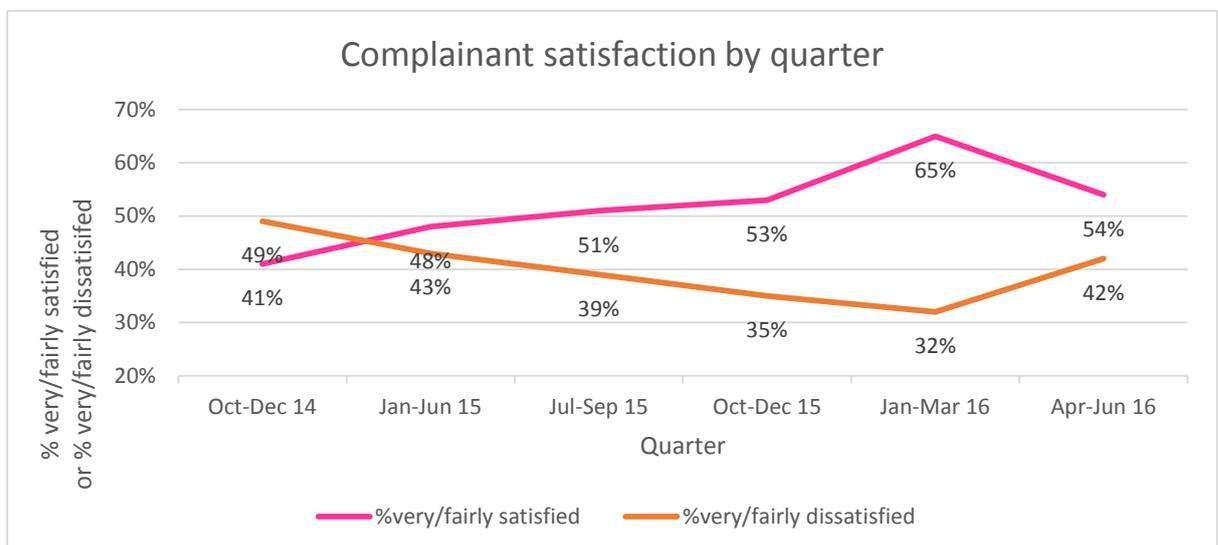
Figure 3 – Ombudsman Decisions / Productivity



3. Quality:

3.1. The results of the customer satisfaction survey reported to the LSB in the quarter 1 report exceeded the OLC's interim target, however, for this reporting period overall satisfaction has decreased from 66% to 60%. This was due to complainant satisfaction levels reducing from 65% to 54%, which is more in line with the progressive but gradual improvement in complainant satisfaction experienced over the previous 18 months. This is outlined in the graph in figure 4.

Figure 4 – Complainant Satisfaction Results



3.2. Analysis of the verbatim comments received in response to the end of process customer satisfaction survey suggest a perceived lack of timeliness, but more specifically, an absence of updates to customers in respect of the progress of their complaint. This correlates with some of the responses received to our internal customer satisfaction surveys, and as a result additional questions have been introduced within the internal surveys to monitor this theme. The verbatim comments received in response to our internal surveys also provide us with the opportunity to put things right for customers experiencing service issues, whilst they are still within our process.

4. Costs:

4.1. The OLC Board's expectations on costs are currently being met and no interventions are planned or expected in this area.

5. Actions Taken / Planned:

5.1. A number of initiatives to improve performance were outlined in the quarter 1 Section 120 report. These initiatives, together with additional projects are being trialled / implemented in order to provide incremental gains to improve performance.

5.2. In outline, the approach being taken to improve timeliness performance is as follows:

- Reduce the backlog by a structured allocation process.
- Increase the capacity to investigate more cases by using the return of our control over our resources, to recruit to establishment and continuing to recruit flexibly, together with the controlled use of overtime.
- Increase the efficiency of the investigation process by triaging cases and promoting greater use of the telephone.
- Maintain an adequate throughput of Ombudsman decisions.

| Month | Initiatives Implemented | Initiative Benefit |
|----------------|---|---|
| February 2016 | Recruitment - Tranche 1 (Assessors - 11, Investigators - 12) Start date 11 April Active date 2 May Capacity date 27 June, Closure benefit seen from August. | Improve efficiency. Reduce unallocated. Positive impact on timeliness. Positive impact on customer satisfaction. |
| July 2016 | Reduce Ombudsman WIP. Recruit Senior Ombudsman – July. Withdraw Ombudsman from teams and allow to focus on final decisions – August / September. Focussed management of Ombudsman – August / September. Reintegrate Ombudsman within teams – October. | Reduce Ombudsman WIP (reduced by 1/3 during August / September). Positive impact on timeliness. Positive impact on customer satisfaction. |
| August 2016 | Investigator overtime. | Forecast to have impact November / December. Reduce / manage unallocated. Positive impact on timeliness. Positive impact on customer satisfaction. |
| August 2016 | Continuous recruitment commenced. Recruitment - Tranche 2 (Assessors - 7, Investigators - 6) Start date 7 November Active date 28 November Capacity date 23 January 2017. Closure benefit seen from March 2017 | Improve efficiency. Reduce unallocated. Positive impact on timeliness. Positive impact on customer satisfaction. |
| September 2016 | Customer focus initiatives - Telephone, Effective Progression, Ombudsman send backs Implemented – October. Support tools cascaded – Mid October. | Success to be reviewed in Jan 2017. Improve quality. Positive impact on customer satisfaction. Positive impact on timeliness through increased informal resolutions and more timely responses. |

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|--------------|--|--|
| October 2016 | Increase Flexible Ombudsman Resource. Additional external Pool Ombudsman recruited – November. Internal Pool of development Ombudsman - November | Reduction in Ombudsman WIP. Positive impact on timeliness. Positive impact on customer satisfaction. |
| October 2016 | Unallocated initiative - 13 week programme of allocations to ensure that the number of cases allocated exceeds the number of cases accepted, in turn reducing the unallocated backlog. | Positive impact on timeliness. Positive impact on customer satisfaction. Unallocated will reduce by circa 150 cases by the end of quarter 3 and a further 200 by the end of quarter 4. |
| October 2016 | Triage Review case complexity. Assess vulnerability of complainants. Identify easy resolution. Request tailored evidence if necessary. | Triaged cases will be allocated mid November and results show January / February. Reduce unallocated. Positive impact on timeliness. Improve quality. Positive impact on customer satisfaction. |

5.3. As previously stated, the initiatives outlined above will help to provide incremental gains that will impact positively on performance. However, the Information Technology (IT) / Case Management System and operational business process remain a significant challenge for the business, which impacts on performance and output. Therefore a wider modernisation programme that encompasses both the operational business process and IT / Case Management System will take place over the next 12 - 18 months, and will help to address the root cause of many efficiency issues.