

Legal Ombudsman performance against LSB s.120 targets

Target	description	Target	Quarter One Performance to 31 July 2015	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	90 days: 60%	56 days: (182 out of 564 cases accepted in May 2015 – 32%) 90 days: (370 out of 715 cases accepted in April – 52%) 180 days: (326 out of 357 cases accepted in January 2014 - 98%) 365 days: (723 out of 729 cases accepted in July 2014 - 99%)	No
2. Unit cost:	The unit cost per case must not exceed £1,750 in any quarter This will be reported quarterly, on a rolling twelve- month basis.	£1,750	Rolling Quarter: (May, June, July) £1,724 12 month average to July 2015: £1,750	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.	40%	Overall satisfaction reported in the most recent independent customer satisfaction data, for cases closed to 31 March 2015: 61%	Yes

Update on June Report: Timeliness figures for June showed that 57% of cases accepted in March were resolved within 90 days. We can now confirm that for cases accepted in March, the 60% LSB target was actually reached between day 91 and day 95 and that we reached our KPI target of 70% resolution of the cases accepted in March between day 111 and day 115.

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 timeliness targets

The failure to meet the 90 day timeliness targets is the result of a combination of three main factors.

a) *Technical difficulties with the new Case Management System (CMS):* As reported in July, the OLC began the phased implementation of a new and significantly more capable Case Management System in January. Whilst this will be invaluable in supporting the achievement of our strategic goals, including in increasing operational efficiency, a number of technical problems arose with the new system. The most significant of these have now been systematically diagnosed and, we believe, resolved. Nevertheless, minor intermittent issues remain and management continues to focus upon resolving these. The Interim Chief Executive is overseeing production of an action plan to track the various work streams and reported progress on this to the OLC board meeting in July.

- b) *Short terms impacts of changes to Ombudsman working practices:* In May, we embedded our main-grade ombudsmen within investigative teams to enable them to advise, guide and coach investigators, in addition to providing ombudsman decisions. As reported in June, this should have beneficial effects on quality and timeliness in the long term. In the short term, however, demand for this advisory activity has reduced the Ombudsmen's capacity for pure decision making. Feedback from managers and team leaders would suggest that there have been immediate quality benefits from this change but it is believed that the timeliness benefits of this change, created through a reduced numbers of cases being sent for Ombudsman decision, will begin to be realised within six months of implementation; that is by November 2015.
- c) *Short term impacts of changes to Ombudsman workload management:* Because some 40% of cases require an ombudsman decision, changes to the management of the ombudsman workload have a significant impact on the timeliness targets. As reported last month, achievement of the 90-day time target is no longer factored into the prioritisation of Ombudsman work, which is now generally managed on a "first in first out" prioritisation method, with other cases being prioritised only where the circumstances of the parties or the case itself warrant that. This is judged to be a fairer, and more customer-focused way of delivering our service.

The above changes in practice have contributed to a decline in our 90 day timeliness measure and, during July, extended the wait for a final Ombudsman decision (what the Legal Services Act refers to as a "determination") to around five to six weeks. As a result Ombudsman decisions contributed only 5% towards our 90 day timeliness measure in for cases received in April 2015, compared to 21% in for cases received in April 2014 when the wait for an Ombudsman decision was about two weeks. These changes continue to affect our 90 day timeliness measure and are expected to do so for several months to come.

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

Taking the three factors identified above in order:

Technical difficulties with the Case Management System: Both the Board and the senior management at the OLC are highly focussed on this issue and recognise that significant work remains to be done to secure all the benefits envisaged from the new system. As remarked above, the Audit and Risk Assurance Committee will, before their next meeting, receive an Action Plan relating to this work. The following activities have already been implemented:

- a) Additional testing and super-user support resource has been deployed to focus on fixing the ongoing issues with the new case management system.
- b) An active project is in place to focus on enabling and providing additional training for users to ensure that training and skills issues are addressed and to improve analysis and feedback on technical issues. An interim project manager has brought in to support this activity.
- c) Active additional logging of disruption has been implemented to quantify the frequency and amount of lost investigator time caused by system issues and to help to prioritise fixes. This will remain in place over the coming months to identify ongoing issues and areas for improvement.
- d) Concerns regarding capacity and capability of the available systems support have been escalated to the highest levels with the system developer; Lockheed Martin. Ongoing dialogue is being and will be maintained until the system delivers expected functionality and levels of reliability.

As remarked earlier, the most significant issues identified by active logging have, it is believed, been systematically addressed. The number of hours lost as a result of CMS issues has fallen by 85% since active logging began. Additional activities to be taken forward include the implementation of certain elements of the first phase of CMS which were afforded a lower priority as a result of a conscious decision in late 2014. Most important of these is the Portal, which will provide a self-service method for customers to contact the organisation (which will be available at all times), and which provides an online dispute resolution capability required under the EU Directive on Alternative Dispute Resolution. These developments passed user acceptance testing during July and this functionality is being released to a Beta release to a small group of service providers and consumers during August with a full public release in September or October subject to satisfactory feedback and fixing of any issues that may arise as a result of this beta test testing.

Short terms impacts of changes to Ombudsman working practices: The OLC Board supports the new working practices and takes the view that they will have beneficial long term impacts both on timeliness of resolution and on decision quality. The OLC Board will monitor the delivery of these beneficial impacts closely but believes that it is right to accept the short-term negative impacts in order to achieve those benefits.

The question as to whether these new working methods will lead to different resourcing requirements remains. However, the OLC is conscious that at present, the overall number of contacts and of cases resulting from those contacts is significantly lower than in previous years and that the overall volume of cases accepted is below plan. The causes of this downward trend are being researched in order to inform our medium to long term plans. Until a clearer idea of the causes and probable duration of this decline has been obtained, the OLC is cautious about making permanent changes to its operational resourcing. The plan is instead to develop a flexible resource pool of Ombudsmen which can be called upon to meet peaks in demand or to deal with timeliness issues such as the organisation faces at present, and we are currently advertising these positions with the aim of carrying out interviews at the end of August.

Short term impacts of changes to Ombudsman workload management: Reintroducing the prioritisation approach previously used would probably, in itself, enable the OLC to meet the LSB target. It would not, however, address the longer term issues regarding efficiency and customer service which we are seeking to fundamentally address. For this reason, the OLC Board has concluded that it should focus on addressing the root cause by robustly implementing the process changes described above. The Board will, of course, monitor the implementation and the resulting impacts closely.