

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

25 June 2019

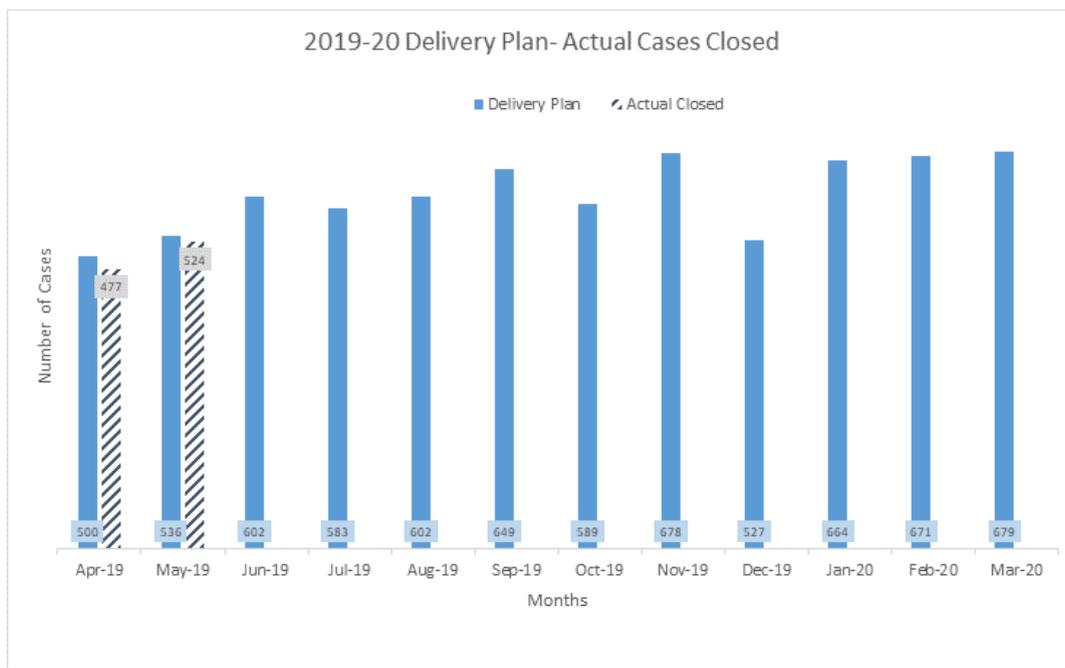
Dear Helen

VOLUNTARY PERFORMANCE ASSURANCE REPORT

I am writing to provide the OLC's voluntary performance assurance report following the Board meeting on 24 June 2019.

The Board's agenda was focussed on in year performance at this meeting. The headline points from the Board's discussion were:

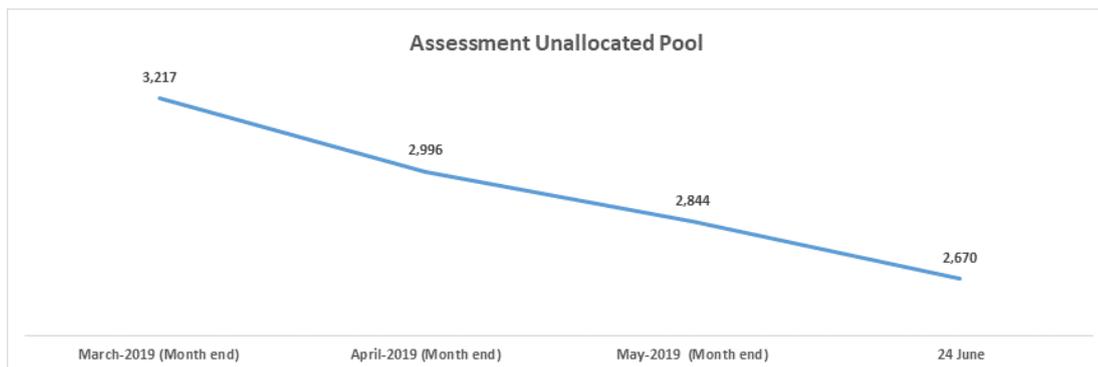
- Board was pleased to see that the financial position was currently stable with a small underspend of £33,000 at the end of May (Period 2) against the budget of £12.3m.
- The Board was encouraged to see that the closure targets for both April and May in the current financial year were met within tolerances and was satisfied that there was a discernible and positive trend beginning to emerge in the data. This is shown below both graphically and in tabular form.



- The cases closed in April and May were within tolerances:

Monthly Performance Against Delivery Plan (2019/20)			
Months	Delivery Plan Target	Tolerance Range	Actual
April	500	450-500	477
May	536	482-536	524
June	602	542-602	
July	583	525-583	
August	602	542-602	
September	649	584-649	
October	589	530-589	
November	678	610-678	
December	527	474-527	
January	664	598-664	
February	671	604-671	
March	679	611-679	

- In addition to this Board welcomed that the number of cases awaiting assessment had fallen from 3,217 at 31st March 2019 to 2,670 as at the date of this Board meeting. The following graph shows the emerging trend over this period.
- The nature of the Pool is that files are added daily based on customer contact and extracted for triage, assessment and then investigation on the basis that every case closed is replaced by a file drawn from the Pool. Consequently the number of files in the Pool oscillates according to the interplay of these two variables. Nonetheless it is possible to identify the prevailing trend and the graph below shows that the number of files awaiting assessment is falling.



- It was further confirmed that the number of files arriving at the front end of the process is now reflected in an equivalent volume of cases being closed in each period. This being so a key issue remaining for the business is the number of files in the Pre-assessment Pool and the time taken to bring these into the triage and assessment process. Currently the median figure for files remaining in the Pool is 185 days and Executive and Board are agreed that this figure must reduce very significantly.

- Acknowledging the point in the last bullet Board was nonetheless encouraged to note that once accepted for investigation the median number of days to closure at the present time is as follows:

Case complexity	Median days from case acceptance to closure
Low	52
Medium	86
High	235

- This entails that once accepted for investigation a very high proportion of customers have the prospect of a reasonable experience in terms of elapsed time. However, this experience is presently impacted by the time in the Pre-assessment Pool.
- The Executive provided a briefing on what was being done to maximise the reduction in the Pool. Board was pleased to note that review had taken place to identify courses of action that might be undertaken to reduce the number of files in the Pool and to review the assumptions used in the Forecasting Model and was satisfied that the Executive had proceeded with diligence and thoroughness in this regard.
- The results of this review are that the files in the Pool are expected to reduce to c. 1900 (+/- 10%) by March 2020, and that the corresponding improvements expected in the customer journey are a reduction of 92 – 99 days across all complexities thus halving the wait time in the Pool.
- Board welcomed these planned reductions but expressed robustly the view that further progress needed to be made. Board endorsed the view of the Executive that the length of the customer journey needed to be further modelled to understand the prospect of reductions after March 2020 and that this would need to be fully understood to inform preparation of the budget and business plan for 2020/21. This information is to be reported to Board for the September Board meeting.
- Board also considered a report from the Executive on three supplementary initiatives; these are geographical hubs, the ability to acquire a delivery partner or developing a service offer around mediated solutions. Board was keen to explore whether these offered the prospect of a major reduction to the number of files in the Pre-assessment Pool in the short term.

- The Executive explained that the time was not right for geographical hubs as this had been considered to overcome a perceived inability to recruit locally; these concerns had been removed as a result of recent recruitment campaigns. The feasibility of acquiring a delivery partner within the constraints of the Legal Services Act were being explored with legal counsel. The prospects for developing an offer in the area of 'mediated solutions' was presently the most likely of the 3 initiatives to be capable of delivery.
- Accordingly the Executive was asked to bring back for the July Board meeting a view on the content of such a scheme and the resources needed to run a pilot scheme to test the concept.
- In asking for this information Board was reminded by LeO Finance that the budget was fully committed to deliver the 2019/20 business plan agreed by the OLC and the LSB in March 2019. Accordingly if resources are taken away to deliver a pilot scheme this could represent a risk to delivery of that plan. Board resolved to reflect further on this at the July meeting.
- The Board was pleased to see evidence of successful recruitment and noted that more is planned.
- A summary of the performance to the end of May 2019 appears at Appendix 1. The Board was pleased to note that timeliness performance remains strong in all cases other than the 360 day All Case KPI which has continued to be adversely affected by the closure of Legacy cases. Board was also pleased to note that the unit cost variance had reduced in May compared with April.

Helen, I am particularly keen to see a dialogue between officers of LeO and the LSB on these performance matters and accordingly our Director of Corporate Services, Brendan Arnold, together with our Head Ombudsman, Steve Pearson, stand ready to engage in a monthly conversation with the LSB on the issues set out in these reports if that would be helpful. I hope that we shall be able to sponsor jointly these conversations as we move forward.

Thank you

Yours Sincerely



Wanda Goldwag
Chair, Office for Legal Complaints

Appendix 1: Monthly KPI and tolerance report – May 2019

Measure	KPI	Tolerance	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Tolerance exception report/additional info
% cases concluded in new CMS (CEQ2a)														
90 days (low)	65%	10% off target for more than 2 consecutive months or 2 months out of 4, in any category	89%	83%										
90 days (med)	40%		54%	50%										
90 days (high)	0%		25%	11%										
180 days (low)	90%		98%	99%										
180 days (med)	85%		92%	91%										
180 days (high)	33%		75%	56%										
365 days (low)	99%		100%	100%										
365 days (med)	95%		100%	100%										
365 days (high)	85%		100%	100%										
% cases (all complexity) concluded (CEQ2a)														
Within 90 days	45%	10% off target for more than 2 consecutive months or 2 out of 4	48%	51%										Outside Tolerance: A general improvement in performance against these KPIs brings the 180 day performance within tolerance. Performance against the 365 day KPI continues to be impacted by the remaining legacy closures. As these cases are closed over the coming weeks the impact on this figure on a monthly basis will reduce.
Within 180 days	78%		63%	72%										
Within 365 days	95%		69%	78%										
Turnover (PLC2a/b)														
Quarterly rolling annual turnover rate	Rolling annual turnover <18%	>2% above rolling annual target for two consecutive quarters	18.7%	20.2%										
Unit Cost per case (IRE8)														
Legal all complexities – net of estates income and gross costs	£1695	>£100 over target – 3 month rolling average	£2118 £422 variance 24.9%	£2047 £351 variance 20.7%										Outside tolerance: The reason for this variance is that the unit cost is calculated on a standard monthly basis over twelve months. Productivity is forecast to rise progressively; therefore it is expected that the unit cost target will not be met in the early part of the year.

