

Dr Helen Phillips
Chair, Legal Services Board
3rd Floor
The Rookery
2 Dyott Street
London
WC1A 1DE

10 February 2020

Dear Helen

Voluntary Assurance letter January 2020

I am writing to offer assurance, following our recent Board meeting, that the governance processes driving forward the Legal Ombudsman Scheme are functioning appropriately. This letter has been agreed with my Board and accurately reflects our discussions, as well as the commitment made at the recent senior MoJ, LSB and OLC meeting, to a more frank and focussed approach.

Our January meeting was far ranging in discussion and was attended by Alison Wedge from MoJ. The key items that arose were:

- a. Performance – my Board expressed concern that the November and December reduction in performance was more than a blip, and reminded the Executive of the need to more accurately predict the position month by month and in context.
- b. Communication would be helpful at an earlier stage (i) where issues may impair predicted outcomes and (ii) where mitigations are being considered.

The Board was re-assured that mitigations were in place, including recruitment of temporary resource into a Fast Stream Resolution team and that the impact was being accounted for in the revised plans for the rest of the year and going forwards. However, it was of concern that whilst the mitigations were appropriate, the end of year target of 7200 is likely to be missed by around 7%.

The Board was further concerned to learn that, arising from improvement work undertaken at the front end of the process, the further reduction in the files in the Pre-assessment Pool will be temporarily deferred for a defined period pending a further reduction towards the Road Map to Green target at the end of 2020/21. Although ultimately the Customer Journey Time will re-commence its downward course there will be a period during which journey time increases somewhat as the oldest files still get worked and closed.

In sum, my Board remained concerned about performance and management ability to retain the necessary experienced resources to continue this journey. With regard to staff attrition, the loss of a significant number of operational staff was discussed and there was concern that this was referred to as 'unexpected' and therefore unplanned for, particularly as management were aware of the relevant campaigns.

However, Board were reassured that this was indeed exceptional and not a result of management failures, as similar campaigns earlier in the year had not had the same impacts and therefore the levels of attrition could not have easily been anticipated; also that the contractual arrangements that allowed staff to leave at short notice were legacy and not current contractual practice; notice periods are now 3 months, not 1 month.

The Executive agreed that recruitment and retention are becoming paramount, and that risks and mitigations, including getting ahead of the curve and resourcing early in quarter one must be considered within the budget planning. The staff survey results (recently received) were noted and it was agreed that a Board discussion would be held at the end of March; the concern is that at a time when we are striving for improvements in performance, there is a risk that we will lose key staff.

I had asked our RemCo, with the support of the Chair of ARAC, to review the move to a combined Chief Executive/Chief Ombudsman (CO) model. The conclusion of that review was that it was a good thing and provided much greater focus, but highlighted the gaps in the wider senior team. It also raised the resilience issue, in the current challenging business environment and the extent of reliance on the CO. My Board encouraged the CO to take action on addressing this, but cautioned against wholesale changes that would destabilise the business. The need for capacity and capability was identified in operational delivery, stakeholder engagement and in the need for a strategic approach to human resources.

We debated the strategic plan, including LSB engagement and the response to your letter which arrived whilst we were in Board. It was acknowledged that Roadmap to Green, already being updated for the results of the front end improvement work, would include consideration of bringing performance back into line.

Board discussed the independent review work and confirmed the timing and approach for this activity, which is to commence imminently.

Finally, and in keeping with the spirit of a full and frank relationship, I thought it important to remark further on the expected increases to the Pre-Assessment Pool. The work currently underway to revise our Road Map to Green takes account of recent performance levels and staff attrition, as well as improvement work at the front end which is designed to greatly reduce wait time in LeO's processes. In order to achieve this it will be necessary to bring forward a portfolio of files so that they can be processed more quickly and so experience an improved Customer Journey Time. This

does mean that the Pre-Assessment Pool will increase in volume for a defined period before reducing in line with the Road Map to Green. Strategically therefore, this should not ultimately be of concern, and is part of a detailed proposal to reach the agreed goal of the End to End KPI being 'Green' by March 2021.

Helen, I do hope that you find this that this letter provides confidence that the OLC Board is focussed on the issues of most concern to us all.

With best wishes

A handwritten signature in black ink, appearing to read 'Wanda Goldwag', is positioned above the printed name.

Wanda Goldwag
Chair, Office for Legal Complaints