

## **Office for Legal Complaints**

**Strategy 2023-24**

**Business Plan and Budget 2023/24**



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## About the Legal Ombudsman

The Legal Services Act 2007 (the Act) established the Legal Ombudsman scheme (LeO) and the Office for Legal Complaints (OLC) to administer it. The Act also established the Legal Services Board (LSB) to oversee the regulation of the legal profession in England and Wales. Both the OLC and the LSB are Arm's Length Bodies of the Ministry of Justice (MoJ).

LeO's primary role is to resolve complaints about providers of legal services that haven't been resolved to customers' satisfaction. This includes complaints about the majority of legal services provided in England and Wales. The rules and limits about what complaints LeO can help with are set out on LeO's [website](#). From 1 April 2023, a number of changes to these rules take effect.

Reflecting the principles of effective ombudsman schemes, a vital part of LeO's work is sharing learning and insight from the complaints it sees, to promote better complaint handling, prevent future complaints and promote wider improvements in the legal sector, supporting the LSB's regulatory objectives.

From 2021/22 onwards, LeO's focus has been on rebalancing its service toward the early resolution of complaints wherever this is appropriate – helping to reduce waiting times and improve the experience of both legal service users and providers.

For 2023/24 the OLC has developed a tightly-focused, one-year interim strategy, refocusing its Strategic Objectives for LeO's final recovery year.

In 2023/24 the OLC will be developing a new multi-year strategy for LeO, providing a clear and ambitious framework focused on the key aims of sustainability, continuous improvement, and providing a high standard of service to all LeO customers.

## About the OLC's consultation

### Summary

The OLC's formal consultation period ran from 2 November 2022 until 12pm on 14 December 2022. 14 responses were received from individuals and organisations including legal regulators and professional bodies, legal service providers and consumer representatives. Non-confidential responses have been published on LeO's website.

During the consultation period, LeO also engaged with a range of stakeholders to listen to feedback and answer questions. All perspectives shared during this engagement, together with formal consultation responses, have been considered as part of developing the OLC's final 2023/24 Strategy, Business Plan and Budget.

### Overview

Vision 2023-24	
Our independent voice gives confidence to users and providers of legal services, helping to underpin a thriving and improving legal sector	
Mission 2023-24	
We resolve legal complaints fairly, impartially and as early as possible, and share our experience to improve legal services	
Strategic Objectives 2023-24	Business Plan Priorities 2023/24
Improving customers' experience with LeO as we lay the foundations we need to provide and sustain a high level of service	Deliver our commitment to reduce waiting times by engaging and retaining skilled and motivated people
Ensuring our ways of working and Scheme Rules enable us to provide valued redress, giving the right outcome at the right time	Take further steps toward being efficient and proportionate while maintaining quality and accessibility
Working transparently and collaboratively to support improvements in the legal sector and access to justice	Develop our understanding of the insights stakeholders value, and how we can increase our impact in providing insight and improving the legal sector

What to expect in 2023/24
LeO will resolve between 7,555 and 8,128 complaints about legal services
LeO's budget will be £16.8 million
In the context of inflationary pressures and unavoidable costs, LeO has minimised and accommodated increases within its existing budget wherever possible
LeO's Scheme Rules will change from 1 April 2023

# Chair's foreword

## A change in outlook for LeO

Since I became OLC Chair in April 2020, the OLC Board's sustained focus has been rebuilding confidence in LeO.

At the end of our 2020-23 strategy period, I am in no doubt about the genuine progress LeO has made. Not only has there been marked progress in improving customers' experience, but the journey to date has been one of complete transparency and accountability. Taken together, these have gone far in restoring stakeholders' trust in LeO and its leadership.

It's for that reason that I am introducing this 2023/24 Business Plan and 2023-24 interim Strategy with a sense of cautious optimism about the future. They take LeO to the end of March 2024, and represent an ambitious programme of further change and improvement.

## The year ahead

I am very grateful to all those who shared their perspectives with the OLC on its draft plans, whether in response to our consultation or during our face-to-face engagement.

As the Chief Ombudsman sets out in his introduction, LeO is on a strong positive trajectory. We are also crystal clear, however, about the work still to be done – and about stakeholders' strength of feeling that we must see it through.

In the uncertainty of the current environment, the OLC will maintain a laser-like focus on getting LeO to a level of performance and customer experience that is both acceptable and sustainable in the long run. The OLC acknowledges that LeO will be held to account for how it delivers against its forecasts. This plan aims to strip out optimism bias, presenting a revised trajectory that responds to the challenge from the OLC and stakeholders to balance realism with ambition – but also to retain a clear and central commitment to meeting customers' needs and expectations.

Our strategic direction for 2023-24 reflects these critical goals. In the OLC's updated mission is an explicit focus on the early resolution of complaints – and in the objectives, a renewed emphasis on customers' experience, quality and proportionality. Supporting these aims will be the delivery of LeO's vital People Strategy, and new Scheme Rules effective from 1 April 2023, pending a further second-phase review.

We know too there is a strong appetite – from the legal profession and consumer representatives alike – for LeO to increase its transparency and insight-sharing work. The call for this is testament in itself to renewed confidence in LeO. A commitment to do more in this space is reflected here, with an emphasis on developing a richer understanding of what stakeholders need and value, and how LeO can best use its independent voice to drive improvements.

In setting a budget to deliver these plans, the OLC has needed to strike a difficult balance – trying to minimise our cost to legal services providers, while ensuring LeO completes its recovery journey, and recognising the very real impact on our people of the rising cost of living.

As we said in our consultation, the current economic context is undoubtedly difficult for all organisations. While many stakeholders acknowledge the need for an inflationary budget increase, we recognise the real pressure felt by those who contribute to LeO’s funding. LeO has already made significant efficiencies across its processes, with further improvements planned for the coming year – and the OLC Board’s focus will remain firmly on delivering the best possible value for the money we receive.

## **Ambitions for the future**

As we deliver these plans for the year ahead, we will also be laying the groundwork for an ambitious and comprehensive future strategy for LeO.

As we set out in our consultation, there are many questions we will need to ask. For example, how can LeO ensure that it is both agile and efficient, and adequately resourced to ensure queues don’t arise again?

What will LeO’s customers – both legal service users and providers – expect from their experience of LeO five or ten years from now?

How can LeO differentiate itself as an employer, attracting and retaining a diverse range of people? And what skills will those people need?

What does more early resolution mean for the insight LeO shares, and the way the scheme is funded?

What should be the scale of LeO’s ambition for its wider impact on the legal sector – and how can it measure that impact?

And in the context of growing focus on good corporate governance and environmental and social responsibility, what standards should the OLC be held to?

While the answers to these questions are not straightforward, we will be engaging with them fully in as we develop our future long-term strategy, inviting the input of a wide range of stakeholders before consulting later in 2023.

I am grateful for the constructive engagement we have with all those with a shared interest in our ambition: a trusted and thriving Legal Ombudsman scheme that supports a trusted and thriving legal sector. And I look forward to working together in the months ahead.

**Elisabeth Davies**

Chair of the Office for Legal Complaints

# Chief Ombudsman's introduction

## Building on LeO's progress

This time last year, a step-change was required at LeO. Central to this would be a focus on efficiency and proportionality, so that LeO was resolving complaints at the earliest possible opportunity.

Today, we can say this step-change has been delivered. While recognising LeO did not reach the full extent of its ambitious aims, the 9,400 resolutions it is on course to deliver represents a high-water mark against historic performance in the region of 6,500 yearly resolutions. It is a 43% increase, or 2,800 more complaint outcomes, compared to 2021/22, which itself saw a 40% increase from 2020/21.

Of course, what matters most is what this means and feels like for the customers involved in these cases, who are relying on LeO for a timely and effective resolution to their complaint. We have achieved a sustained reduction in the number of people waiting to access our service, as well as in the overall time taken to resolve complaints – with that trajectory set to continue in 2023/24. By the end of March 2024, LeO expects the average customer journey time for most cases to be between 132 and 187 days. This is made up of an average wait time for most customers of 45 to 100 days, followed by 87 days' resolution time.

Importantly, the changes we've implemented haven't come at the expense of quality or the customer experience. Recent quality reviews and customer satisfaction surveys have also found significant positive results. This shows LeO's earlier and faster approach to resolving complaints contributes to and enhances customers' experience.

## Our priorities for 2023/24

I'm proud of what our people have achieved and how far LeO has come. At the same time, everyone at LeO would like us to be even further along our improvement trajectory. The responses we received to our consultation recognised the progress we had made, while underscoring that we must continue to push further.

We've addressed many of the issues we've faced – but there are some that continue to challenge us and remain largely outside our control. Not least of these is the current economic and recruitment picture that we, like other organisations, are navigating. But we're committed to doing everything in our power to reach the level of service our customers expect from us, and ensuring the gear change we've made is genuinely sustainable. This commitment is at the heart of our priorities for the year ahead.

First, LeO's people are the driver of our success. We've been open about the difficulties we've experienced in recruiting and retaining the people we need. Where we can take action, however, we are doing so – and our People Strategy is a critical

part of that response. It's a focus on people that will ensure that waiting times for LeO's help will reduce drastically by March 2024.

Following the progress we made in 2022/23, the People Strategy will build on the best of LeO, moving us toward a culture where everyone feels engaged, included, and supported – because that's when people will want to join us, stay with us, and perform at their very best, wherever they are working.

Second, changes to our Scheme Rules will ensure we can truly take the right approach at the right time for users and providers of legal services. As we do so, we will monitor and strengthen the accessibility and quality of our service – something consumer representatives have rightly told us should be central to these changes and any further evolution.

Third, ensuring complaints are prevented or resolved by service providers themselves is a key part not only of an Ombudsman scheme's role, but of proportionality and demand-management – ensuring we only receive complaints that genuinely need our input.

While LeO's performance journey remains front of mind, it's clear stakeholders want to see more from us in this space. In 2023/24, it's right that we first gain a better understanding of how we can ensure our future programme delivers both value and impact – while in the meantime continuing to share our experience to promote better outcomes in our sector.

## LeO's 2023/24 budget

In our consultation, we made clear that, like all organisations, we face significant unavoidable costs and inflationary increases. We also recognise the very real risk of continuing to lose skilled people we have invested in if we don't take into account the rising cost of living and ensure the competitiveness of LeO's offer.

Against this backdrop, we have ensured through our budget-setting process that excluding pay and inflation (other than on energy costs), our budget is broadly in line with last year's. Even with the pay and inflationary increase, this represents a below-inflation budget and a decrease in real terms.

It's clear that our stakeholders recognise – and indeed share – the challenges we continue to face. I welcome the broad support we received for our inflationary budget, which is essential to delivering on the commitments we've made. We remain absolutely committed to ensuring we provide value for money for legal providers, building on efficiencies we've already made.

## The future of LeO

While I am in no doubt about the progress LeO still needs to make, it is also essential we prepare for the longer-term. 2023/24 will see the OLC developing a new multi-



year strategy for LeO, on which we will be seeking stakeholders' perspectives before formally consulting later in 2023.

We know we need to be a responsive LeO – signposting, supporting and finding agreement between legal service users and providers as soon as our input is needed. A LeO that is agile and flexible, an employer of choice and a great place to work.

A LeO with greater impact, whose insights have a tangible link to a fairer legal sector – and whose balance of resources reflects this. A LeO that not only provides a high-quality service, but excellent value for money.

We've welcomed stakeholders' honest feedback throughout LeO's recovery journey. I look forward to more conversations about our ambitions for the future.

**Paul McFadden**

Chief Ombudsman

## Complaints LeO will receive and resolve in 2023/24

### LeO's journey so far

In 2021/22 the OLC set out a two-year improvement trajectory for significantly improving the standard of service LeO was providing. This followed a period when the front-end queue of complaints waiting to be investigated (pre-assessment pool) had risen to unacceptable levels.

LeO has now made and sustained a step change in performance, with many more users and providers of legal services feeling the tangible results of its focus on early resolution, proportionality and efficiency.

While recognising LeO did not reach the full extent of its ambitious aims, the 9,400 resolutions it is on course to deliver represents a high-water mark against historic performance in the region of 6,500 yearly resolutions. It is a 43% increase, or 2,800 more complaint outcomes, compared to 2021/22, which itself saw a 40% increase from 2020/21.

In addition, recent quality reviews and customer satisfaction surveys have shown significant positive results. This supports the idea that early and faster resolutions do not come at the expense of a good customer experience.

Since the mid-year point, LeO's updated forecasts for the end of 2022/23 show a reduction in the number of complaints that will be resolved, although retaining a strong overall improvement trajectory. This reduction reflects ongoing challenges around recruitment and attrition, as well as the fact opportunities for early resolution among complaints in the front-end queue have been realised at an earlier stage than initially expected.

	Case closures 2022/23	Change from 2022/23 Business Plan forecast	Change from equivalent period in 2021/22
Forecast total closures for 2022/23	9,383	-9% (92% of target)	+43% (6,576)

	Investigation queue (pre-assessment pool)	Change from Business Plan forecast	Change from equivalent period in 2021/22
Forecast year-end position	4,275*	+37% (3,109)	-27% (5,862)

*\* 3,525 excluding cases actively going through early resolution, making the PAP 13% higher than forecast – see below*

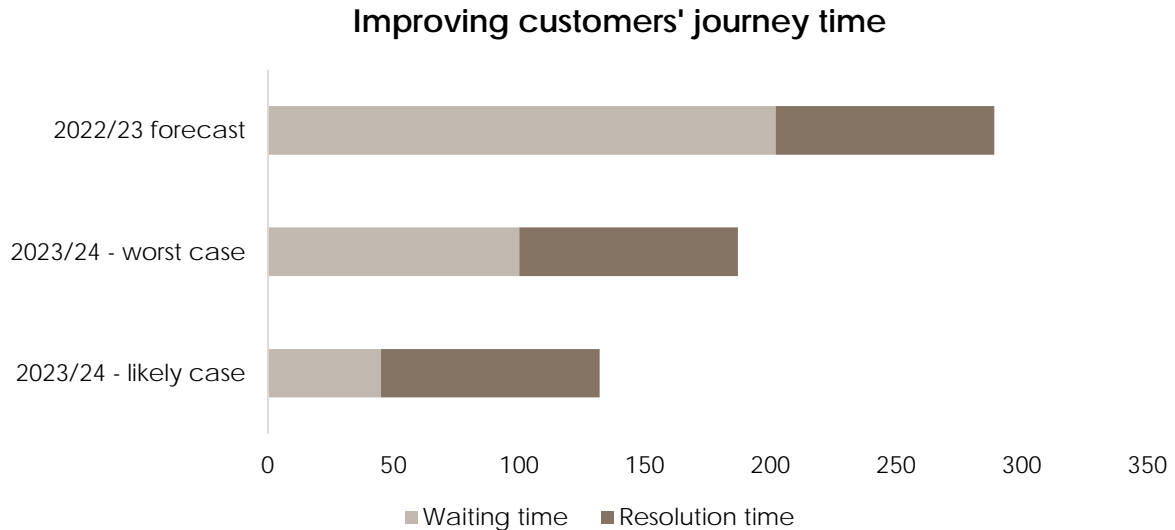
LeO will continue to publish information about its quarterly performance on its [website](#). The OLC will provide detailed analysis of LeO's full 2022/23 performance in its next Annual Report and Accounts.

## LeO's work in 2023/24

2023/24 will be a critical year in LeO's journey to reaching a sustainable acceptable level of performance. The OLC's interim Strategy and Business Plan will see LeO through to a point of stability, where it is delivering and sustaining a high level of service to its customers.

### Improvements in customers' experience to March 2024

- In 2022/23 consumers and legal service providers had, on average, a total customer journey time of 289 days (including early resolution, and excluding around 50 high-complexity complaints). This was made up of an average wait time of 202 days and a resolution time of 87 days after being allocated to an investigator.
- Over the course of 2022/23 overall customer journey time has fallen by nearly 100 days for low complexity cases, compared with when the pre-assessment pool was at its peak (February 2022).
- In 2022/23, customers whose complaints were resolved through early resolution could expect, on average, a 67% shorter customer journey time than the average low complexity case that required a full investigation.
- By the end of March 2024, LeO expects the average customer journey time to be between 132 and 187 days. The average wait time for most customers will be 45 to 100 days, followed by 87 days' resolution time.



## LeO's approach to forecasting

The forecasts in this plan show a range (between likely and worst-case scenarios) for the number of cases LeO expects to receive and resolve. LeO has taken a cautious and realistic approach to forecasting, reflecting a greater number of potential risks and variables in the underlying assumptions. LeO has done this while retaining an appropriate level of ambition about ongoing improvement and the level of quality and service it will deliver.

The customer journey times set out in this plan exclude high complexity cases, which account for a very small number of LeO's cases (approximately 3-4 new cases each month). LeO recognises that figures for average customer journey times won't reflect the experience of all customers. While imperfect, however, they are the best way of reflecting the standard of customer experience LeO is delivering in the majority of cases it handles.

To date, LeO has reported cases that are actively going through an early resolution process within the total reported figure for the pre-assessment pool. To ensure an accurate picture is provided of customers' experience with LeO, these cases will now be separated from the pre-assessment pool figure – a one-time shift of around 750 cases. Figures from 2023/24 onwards reflect this change.

## Demand for LeO's service

Demand for LeO has been consistent for a number of years, despite pressures and changes in the legal sector during that time. It is possible that the rising cost of living and pressures on finances may cause both users and providers of legal services to behave differently if a dispute arises, and LeO will continue to monitor demand over the course of 2023/24. In 2022/23 LeO has seen a slight increase in incoming demand, which is factored into the forecasts in this plan.

LeO expects to deal with approximately 108,000 front-line contacts, of which a small proportion go on to be complaints formally referred to LeO. This upfront advice, information and signposting continues to be an important support service to consumers navigating the legal and wider redress landscape.

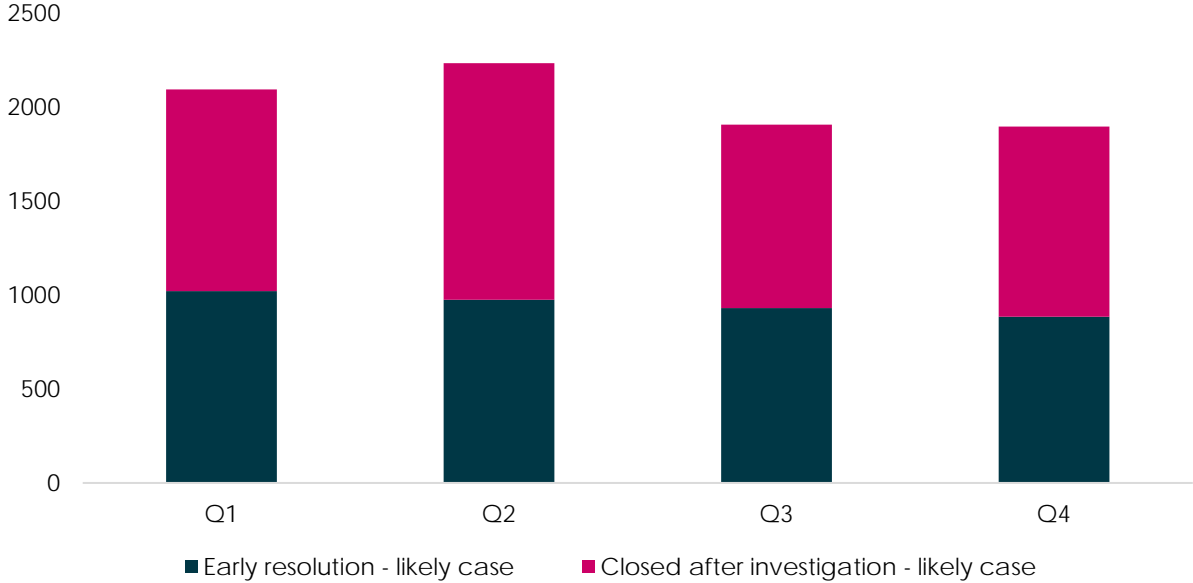
From 1 April 2023, the time limit for bringing a complaint to LeO will be one year. LeO’s Ombudsmen will use discretion to extend this limit when it is fair and reasonable to do so, and we anticipate an initial period where we will see a higher proportion of cases where the fair and reasonable test will apply. Some respondents to our consultation also suggested we may see an initial spike in complaints, as people refer complaints to LeO earlier than they otherwise would have.

For these reasons, LeO’s projections take a cautious approach to the impact of the changes. LeO will be closely monitoring actual demand and the wider impact of the changes throughout the year. The number of early resolutions would be lower under LeO’s likely-case scenario than under the worst-case scenario. This is because with a lower decrease in front-end demand, there would be relatively more opportunities for early resolution.

*LeO’s casework in 2023/24 (worst to likely case)*

	Q1	Q2	Q3	Q4	Total
<b>Total new complaints accepted</b>	1872	1872 – 1779	1779 – 1686	1686 – 1593	7209 – 6930
<b>Total closures</b>	1955 – 2093	2115 – 2233	1788 – 1907	1696 – 1896	7555 – 8128
Closed after investigation	935 – 1073	1095 – 1258	813 – 977	766 – 1011	3610 – 4318
Early resolutions	1020	1020 – 975	975 – 930	930 – 885	3945 – 3810
Pre-assessment pool trajectory	3442 – 3304	2814 – 2466	2646 – 2086	2636 – 1784	N/a

### Cases LeO will resolve in 2023/24 - likely case

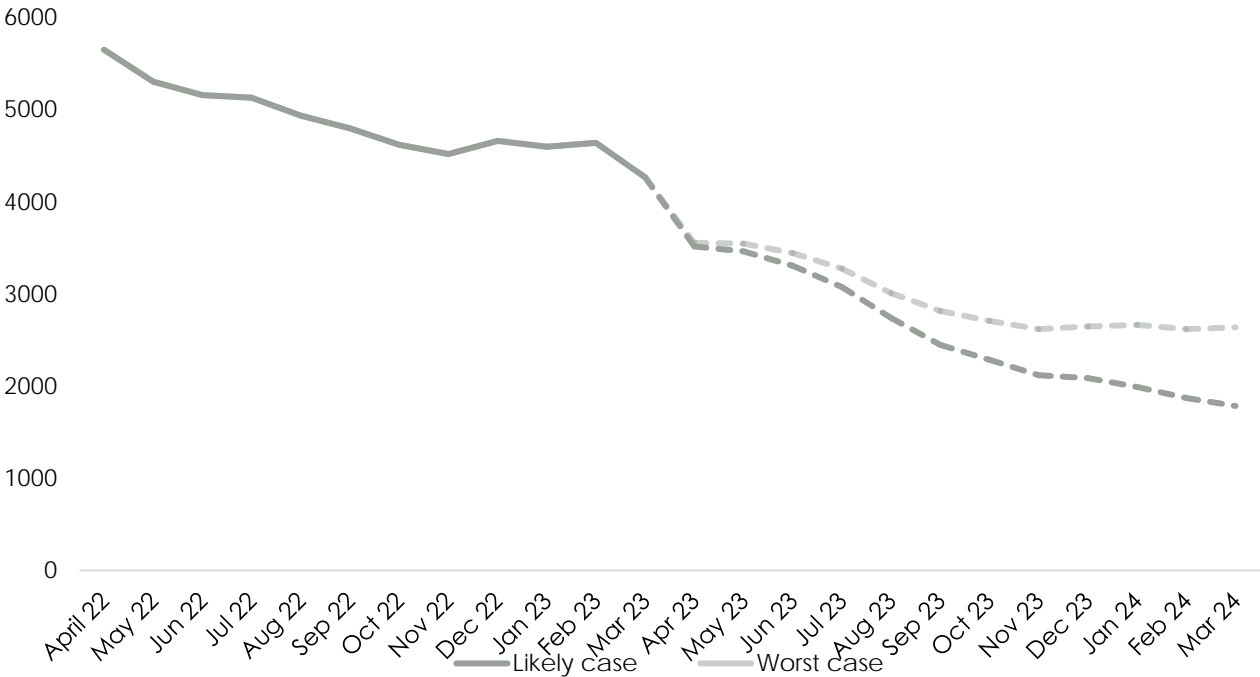


### Complaints by area of law

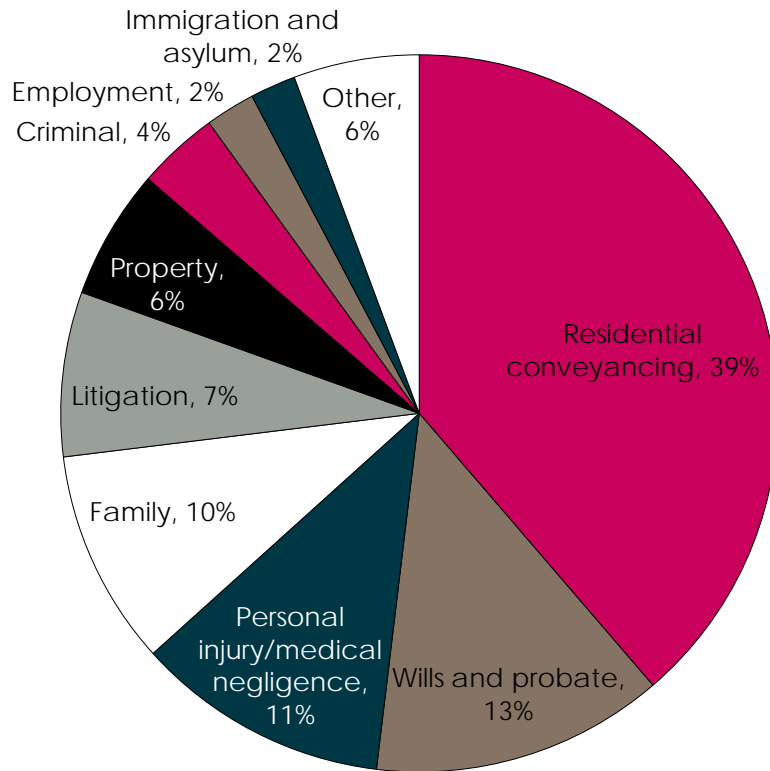
The chart below shows the breakdown of cases handled by LeO since April 2021 by area of law.

Despite developments in the market over time, the mix of complaints that LeO receives by area of law has remained broadly stable, and LeO does not anticipate any significant changes in 2023/24. However, LeO will continue to monitor this and

### Investigation queue (pre-assessment pool) trajectory



engage with a range of stakeholders to share feedback about themes and trends that may influence LeO's work or identify a need for targeted learning and support.



The rest of this plan sets out key activities under each of the OLC's Strategic Objectives and Business Plan Priorities that will guide LeO's work in 2023/24.

# Strategic Objectives 2023-24 and Business Plan Priorities 2023/24

## Vision and mission 2023-24

<b>Vision 2023-24</b>	Our independent voice gives confidence to users and providers of legal services, helping to underpin a thriving and improving legal sector
<b>Mission 2023-24</b>	We resolve legal complaints fairly, impartially and as early as possible, and share our experience to improve legal services

The OLC's refocused vision for 2023-24 puts LeO's customers – users and providers of legal services – at the centre of its vision, together with clearer ambition that its independent voice contributes to a thriving legal sector.

The OLC's refocused mission for 2023-24 reflects the shift LeO is continuing to make toward more early resolution and greater proportionality. It also reflects the ambition that, through sharing experience in an open, collaborative way, LeO's work contributes to better legal services.

Over the course of 2023/24 the OLC will be developing a new strategic framework, engaging with stakeholders before consulting formally later in the year. The new strategy will address questions such as what a future LeO should look and feel like: from its approach to resolving complaints to how it can take a positive and proactive role in supporting a thriving legal services sector.

The rest of this section sets out how LeO has refocused its Strategic Objectives for a final year, and the Business Plan Priorities that will deliver them. LeO's 2023/24 budget is detailed from page 29.



## Strategic Objective and Business Plan Priority One

<b>Strategic Objective One 2023-24</b>	Improving customers' experience with LeO as we lay the foundations we need to provide and sustain a high level of service
<b>Business Plan Priority One 2023/24</b>	Deliver our commitment to reduce waiting times by engaging and retaining skilled and motivated people

### What we want to achieve

The OLC's refocused Strategic Objective One for 2023-24 reflects a continued focus on reaching a level of service that is acceptable to LeO's customers – users and providers of legal services – and ensuring that this is sustainable into the future.

Business Plan Priority One makes clear that LeO's people are vital to achieving improvements in customers' experience, including substantially reducing waiting times and the front-end queue. This isn't only about having the right level of resourcing, but engaging and motivating both new and existing employees, and creating a culture where everyone is supported to perform at their very best.

### What we heard in our consultation

Responses to this part of our consultation reflected wide support for our plans. Stakeholders told us that LeO's recovery, and confidence in LeO, depends on meeting the trajectories and ensuring we have the people we need. Some told us they were facing similar resourcing challenges.

A number of respondents emphasised that performance recovery must remain a priority for LeO, even while they were supportive of LeO delivering more learning and insight to the legal sector.

There was also broad endorsement for LeO's strategic approach to equality, diversity and inclusion, in relation both to LeO's people and its customers – including ensuring LeO remains accessible and effectively responds to customer vulnerability.

### Plans and priorities

LeO's key activities under this Strategic Objective and Business Plan Priority are:

- **Delivering our People Strategy, including our work around equality, diversity and inclusion**
- **Implementing our plans to improve LeO's performance**
- **Defining future ways of working for LeO's people.**

These scope of work under each area is shown on page 17, together with indicative timings.

## Looking ahead

LeO has seen significant improvements in recent employee surveys. The OLC is ambitious about LeO becoming an employer of choice – a great place to work for people motivated not only by public service, but by opportunities to develop their career within an innovative, collaborative and inclusive workplace. As the OLC develops its next strategy, we will be asking questions such as:

- What are the hallmarks of a great place to work – and how might they have changed in five years' or a decade's time? What types of organisations should LeO take inspiration from?
- How can LeO ensure it continues to attract and retain people with the values and skills that it needs? Who will also be looking for these people?
- How might those values and skills change in the future?
- How are expectations likely to change around what it means to be a diverse and inclusive employer?
- How might the demographics and needs of LeO's customers change?

## Key activities and deliverables under Strategic Objective and Business Plan Priority One

Activity	Key deliverables	Timescales
<p><b>Delivering our People Strategy</b></p> <p>All workstreams associated with the delivery of LeO's People Strategy, which is applicable to all of LeO's people (both operations and wider corporate teams). Recognising LeO's people are vital to our success, the strategy underpins the delivery of LeO's commitment to improve customers' experience and reduce waiting times. It will create a framework and culture that supports high performance, retention and engagement, as well as successful recruitment where required.</p>	<p><i>Attract, recruit and retain</i></p> <ul style="list-style-type: none"> <li>• Implement attraction and retention strategy developed in 2022/23</li> <li>• Implement new recruitment policy and associated processes, including induction</li> <li>• Implement learnings of review carried out in 2022/23 of investigator recruitment process</li> <li>• Develop and implement total reward and recognition strategy, taking account of 2022/23 benchmarking exercise and review of Celebrating Success scheme</li> </ul> <hr/> <p><i>Develop and support</i></p> <ul style="list-style-type: none"> <li>• Further develop leadership programme, to include aspiring leaders</li> <li>• Develop career pathways</li> <li>• Develop a talent and succession strategy</li> <li>• Develop whole business training offering, including mentoring programme</li> <li>• Review approach to continuing professional development</li> <li>• Develop a competency framework</li> </ul>	<p>Q1-Q4</p>

	<p><i>Promote engagement, wellbeing and equality, diversity and inclusion (EDI)</i></p> <ul style="list-style-type: none"> <li>• Implement EDI strategy</li> <li>• Implement new Staff Council and network engagement model and revised terms of reference</li> <li>• Implement actions identified within 2022 People Survey report</li> <li>• Implement new HR Business Partner model</li> <li>• Develop an annual programme of EDI awareness activities</li> </ul>	
<p><b>Implementing our plans to improve LeO's performance</b></p> <p>Work contributing to LeO's plan to improve the experience of consumers and legal service providers using LeO's service, including meeting our commitment to substantially reduce waiting times. These plans will be underpinned by the People Strategy. They will also be supported by work under SO2/BPP2.</p>	<p>Waiting times at the front-end of LeO's process in line with our forecast trajectory</p> <hr/> <p>Lower overall customer journey time – the total time taken from a case entering the pre-assessment pool to when it is resolved and closed.</p>	<p>Q1-Q4</p>

<p><b>Shaping future ways of working for LeO's people</b></p> <p>Reviewing and setting the future direction of LeO's people's ways of working, aligned with renewal of lease on Edward House. This work will be supported by significant internal engagement, recognising the short and longer-term impacts of transitioning to any new arrangement on LeO's people and operations, and its centrality to LeO's future success.</p>	Develop a LeO future ways of working strategy	Q1
	Complete feasibility study of options and identify efficiencies alongside risks/issues	Q1
	Implement delivery of agreed direction	Q2-Q4

## Strategic Objective and Business Plan Priority Two

<b>Strategic Objective Two 2023-24</b>	Ensuring our ways of working and Scheme Rules enable us to provide valued redress, giving the right outcome at the right time
<b>Business Plan Priority Two 2023/24</b>	Take further steps toward being efficient and proportionate while maintaining quality and accessibility

### What we want to achieve

The OLC's refocused Strategic Priority Two makes clear how and why LeO needs to change in the year ahead.

Business Plan Priority Two underlines the balance LeO needs to strike as it continues its journey to rebalance its service and make it more efficient – driving further efficiency, speed and informality, while safeguarding accessibility and strengthening quality. This includes LeO's work to ensure it is effectively identifying and supporting customers who may be vulnerable or have additional needs.

### What we heard in our consultation

Responses to this part of the OLC's consultation showed consistent support for the changes LeO is making. Many responses focused on what they felt would be benefits arising from changes to LeO's Scheme Rules, including greater efficiency – as well as the importance of monitoring for unanticipated impacts on consumers, and communicating effectively with the legal sector about putting the changes into practice.

Some responses raised questions around how the Scheme Rule changes might impact LeO's income, if the case fee does not apply to as many cases. Others encouraged us to continue to explore options that would provide LeO with greater flexibility and resilience, including outsourcing, which is currently not possible due to restrictions of the Legal Services Act.

### Plans and priorities

LeO's key activities under this Strategic Objective and Business Plan Priority are:

- Embedding and monitoring the impact of Scheme Rule changes
- Developing our technology to improve customer service
- Developing and implementing a new and enhanced Quality Framework, aligned to best practice and tailored to LeO's current and future needs
- Identifying and assessing opportunities to further improve, streamline and simplify LeO's operating model and end-to-end processes.

These scope of work under each area is shown on page 22, together with indicative timings.

## Looking ahead

Since 2021/22 LeO has made a radical shift, rebalancing its casework toward greater proportionality. As the OLC considers its new strategy, it will ask questions such as:

- What does this shift mean for how LeO articulates its core service?
- In a future when there is no front-end queue, what standards of service should LeO be held to?
- What might wider social and economic changes mean for the types of cases LeO sees, the parties involved, and what they need and expect from LeO?
- Given these changes, how can LeO remain accessible to everyone who needs it?
- Looking ahead, how can LeO deliver a service that is both agile and high quality? What should be the balance of resources across different areas of its work?

## Key activities and deliverables under Strategic Objective and Business Plan Priority Two

Activity	Key deliverables	Timescales
<p><b>Embedding and monitoring the impact of Scheme Rule changes</b></p> <p>Work encompassing the post-launch project management of Scheme Rules implementation, continuous assessment and evaluation of the outcomes and impacts of Scheme Rule changes for LeO's customers, and the scoping of Stage 2 Scheme Rule changes</p>	<p>Regular review of post-implementation performance against success criteria and consistent application of new rules</p>	<p>Q1-Q4</p>
	<p>Quarterly review of impact assessment key data points to track impacts and outcomes for consumers with different characteristics, needs and potential vulnerability</p>	<p>Q1-Q4</p>
	<p>Scope and assess areas for consideration under Stage 2 of Scheme Rule changes and assess potential benefits, opportunities and risks</p>	<p>Q3-Q4</p>
	<p>Outline and agree timeline for engagement with key stakeholders in relation to proposed Stage 2 Scheme Rules review and subsequent consultation process</p>	<p>Q4</p>



<p><b>Developing our technology to improve customer service</b></p> <p>Development and launch of new and improved technology solutions to streamline complaint handling and improve customer service</p>	<p>Generate efficiencies in General Enquiries Team by using case management system to streamline the triage of complaint files at the front-end of LeO's process</p>	<p>Q1-Q3</p>
	<p>Review automation technologies to support further improvements and future expansion of automated processes</p>	<p>Q2-Q4</p>
	<p>Develop an automated triage process</p>	<p>Q2-Q4</p>
<p><b>Developing and implementing a new and enhanced Quality Framework, aligned to best practice and tailored to LeO's current and future needs</b></p> <p>Completion of a comprehensive review and update of LeO's Quality Framework, in view of changes to ways of working</p>	<p>Complete Quality Framework review and assess recommendations for implementation of new enhanced Quality Framework</p>	<p>Q1-Q2</p>
	<p>Develop, test and agree implementation of new Quality Framework</p>	<p>Q3-Q4</p>

<p><b>Identifying and assessing opportunities to further improve, streamline and simplify LeO's operating model and end to-end operational processes</b></p> <p>Analysing and reviewing end to-end operational processes to identify opportunities for increased efficiencies and simplification of our processes and continuous improvements in our handling and investigation of complaints</p>	<p>Enhance LeO's capacity and capability – people, resource and skills – to undertake process review</p>	<p>Q1</p>
	<p>Map and assess current processes, to identify further possible efficiencies and opportunities to improve, streamline and simplify our complaints handling processes</p>	<p>Q3-Q4</p>

## Strategic Objective and Business Plan Priority Three

<b>Strategic Objective Three 2023-24</b>	Working transparently and collaboratively to support improvements in the legal sector and access to justice
<b>Business Plan Priority Three 2023/24</b>	Develop our understanding of the insights stakeholders value, and how we can increase our impact in providing insight and improving the legal sector

### What we want to achieve

LeO regularly shares insights from its experience resolving complaints about legal services – primarily with legal providers, regulators and trade bodies, who can apply those insights to help drive up standards. The OLC’s refocused Strategic Priority Three emphasises the importance of collaboration in this area of LeO’s work. It also reflects the OLC’s ongoing commitment to transparency around how it is run and the standards of service LeO is delivering.

Business Plan Priority Three emphasises the need for LeO to develop a stronger understanding of the types of insights and resources its stakeholders value, so that its work in this area can have a bigger impact.

### What we heard in our consultation

There was a notable shift this year in the number of stakeholders emphasising the importance of this work and LeO’s broader transparency agenda. While some noted that LeO’s performance must remain a priority, others felt LeO should go further. Many respondents encouraged LeO to do more with the rich insight and data on consumers’ experience that it holds, and expressed a strong appetite for more insight into themes and trends in complaints in different areas of law and on cross-cutting issues such as vulnerability, additional to the information LeO already shares with regulators.

Some respondents spoke to the value of their engagement with LeO and LeO’s transparency more broadly – for example, the role of this transparency in rebuilding confidence in LeO, and how it has allowed stakeholders to contribute ideas around improving LeO’s performance.

### Plans and priorities

LeO’s key activities under this Strategic Objective and Business Plan Priority are:

- Developing an enhanced engagement strategy for LeO
- Supporting improvements in service standards and complaint handling in the legal sector

- Improving LeO's internal mechanisms for identifying and sharing insights into legal complaints and consumers' experience of the legal sector
- Meeting the OLC's accountability requirements, including developing a future strategy.

These scope of work under each area is shown on page 27, together with indicative timings.

## Looking ahead

Over recent years LeO's primary focus has been recovering its performance. As we look ahead to a future where LeO has reached a sustainable acceptable level of performance, the OLC will ask questions such as:

- How can LeO better articulate, measure and report on the value and impact of its engagement, insight-sharing and transparency work?
- How should this work be funded and resourced?
- What does the shift toward early resolution and greater proportionality mean for the types of data and insight LeO shares?
- What is LeO currently not doing in this space – and who else should LeO be engaging with?
- How can LeO best contribute to sector-wide initiatives going forward?

## Key activities and deliverables under Strategic Objective and Business Plan Priority Three

Activity	Key deliverables	Timescales
<p><b>Developing an enhanced engagement strategy for LeO</b></p> <p>Generating an evidence base for, and then developing, a strategy for the types of data, learning, insights, and engagement LeO should deliver. This will support the OLC's wider future strategy.</p>	Design and carry out stakeholder engagement and research	Q1-Q2
	Analysis of stakeholder feedback and drafting recommendations	Q2-Q3
	Draft and publish finalised strategy for 2024/25 onwards	Q3-Q4
<p><b>Supporting improvements in service standards and complaint handling in the legal sector</b></p> <p>LeO's work to promote awareness of LeO's role, themes and trends in legal complaints, and the principles of good complaint handling. This work will generate valuable insights for the legal sector, consumers and consumer bodies and other dispute resolution schemes, helping improve legal services.</p>	Publish annual review of LeO's complaints learning and insight	Q1-Q2
	Review and publish learning and insight generated through LeO's experience of the early resolution of complaints	Q2-Q3
	Complete and publish further thematic review in area where learning need is identified	Q3-Q4
	Deliver programme of learning and engagement opportunities for legal service providers and other stakeholders	Q1-Q4
	Where appropriate, use LeO's powers to publish full decisions in the public interest, naming the firm ("Category 1" decisions)	Q1-Q4

	Contribute to wider sector initiatives that support the LSB's regulatory objectives and improved consumer outcomes	Q1-Q4
<p><b>Improving LeO's internal mechanisms for identifying and sharing insights into legal complaints and consumers' experience of the legal sector</b></p> <p>Work to facilitate more effective internal forums and channels for identifying and sharing insight, internally and externally. This includes improving internal awareness of the importance of this area of LeO's work.</p>	Map current forums, channels, and processes for identifying and sharing insights internally	Q1-Q2
	Implement learnings and internal awareness campaign	Q3-Q4
	Progress LeO's wider transparency programme, supported by improvements to internal processes	Q1-Q4
<p><b>Meeting the OLC's accountability requirements, including developing a future strategy</b></p> <p>Work to ensure the OLCs meet its accountability and reporting obligations, promoting confidence in LeO as a well-run organisation. This includes the development of the OLC's next corporate strategy.</p>	Delivery of 2022/23 annual reports and accounts	Q1
	Development of OLC's future strategy, including internal and external engagement	Q1-Q4
	Consultation on 2024/25 Business Plan and future strategy	Q3
	Publish final 2024/25 Business Plan and future strategy	Q4

# Budget for 2023/24

## Overview

Business Plan Priorities	Area of expense	2023/24 budget
<i>One and two</i>	Operational delivery	£10,683,235
<i>Three</i>	Policy, impact and engagement	£364,620
<i>One, two and three - critical enablers</i>	Corporate functions and business support	£2,470,759
	<b>Total staff salary expenditure</b>	<b>£13,518,614</b>
<i>One, two and three - critical enablers</i>	IT and telecoms	£1,617,634
	Premises and facilities	£679,205
	Other staff expenditure	£238,073
	Depreciation	£555,353
	Travel	£27,940
	Interest receivable	-£187,973
	Other costs	£334,207
	<b>Total non-salary expenditure</b>	<b>£3,264,438</b>
	<b>Total revenue expenditure</b>	<b>£16,783,052</b>

Like many organisations, the OLC has been developing its 2023/24 budget at a time of significant uncertainty. LeO has looked to minimise and accommodate any increases within its existing budget wherever possible. The consultation budget reflected the lowest possible increase the OLC could request, while still ensuring LeO could deliver for its customers and do the right thing by its people.

LeO will deliver its 2023/24 plans on a budget which, before inflation (excluding on energy costs) and pay, is broadly level (1.4% higher) with 2022/23 at £15.5 million. Including inflation at 10% and a pay remit of 8%, the increase is 9.6% – a budget of £16.8 million. Even with pay and inflationary increases, this represents a below-inflation budget and a decrease in real terms.

## What we heard in our consultation

The balance outlined above was at the heart of our conversations with stakeholders during the consultation period. Responses to the OLC's consultation broadly accepted the need to increase LeO's budget, while emphasising the increased costs organisations within the legal sector itself are facing.

Some respondents looked further ahead to LeO's future budget – for example, anticipating that it might fall if demand reduced, or suggesting that more of the budget should be allocated to insight-sharing and complaint prevention.

## LeO's final budget

This budget will enable LeO to build on the performance gains and stability embedded in 2022/23, while managing pressures relating to increased case resolutions, LeO's strengthened focus on quality, and the monitoring and further development of changes to the Scheme Rules. Additional budget for staffing requirements relates to an increase of 5.3 FTE (1.9% increase in FTE): a net increase, before inflation, of £72k (0.6%).

Having reflected on feedback from the Business Plan and Budget consultation, LeO has revisited its budget assumptions. More of the budget is now diverted to operational teams, to increase LeO's focus on achieving sustained progress in operational performance.

LeO is taking a different approach to IT contract renewals and extending two contracts to remove £100k of exiting and onboarding costs. In addition, LeO has successfully reduced the cost of its inbound post-handling contract, which will release £74k from other non-staff costs. Along with a revised calculation on bank interest received, this will allow LeO to increase its resolution centre by an additional 6.1 FTE – with a direct benefit on operational performance without increasing the budget request.

This means the overall FTE has increased year on year by 11.4 FTE (4.1% increase in FTE). although only 5.3 of these are over and above existing budget.

In Operations teams, a resourcing increase reflects the transfer of people from IT to Service Improvement and Quality, to reflect changed reporting structures. There is also extra resource in the Service Improvement and Quality Team. Additional resource has been added in the General Enquiries Team, where Ombudsman resource is now lower.



The majority of LeO’s income comes from a levy on regulated legal service providers. In 2023/24 LeO expects that around 50% of business-as-usual case closures in 2023/24 (broadly level with 2022/23) to be subject to a case fee, giving an income of £0.87 million (covering 5.2% of LeO’s expenditure). LeO estimates that a Law Society member will see their individual levy contribution increase by approximately £8.56.

In the event of a below-inflation pay award, LeO will engage with the OLC and LSB on alternative options for addressing LeO’s recruitment and retention challenges and maximising our employee offer. This may also include investment in additional resources to accelerate LeO’s improvement trajectory or not drawing down the full budget from the levy.

## Measuring performance and value for money

The table below shows LeO’s expected expenditure, output and cost per case in 2023/24, while recognising the limitations of the unit cost.

For example, the unit cost doesn’t capture LeO’s frontline advice, information and signposting for consumers – some 108,000 contacts dealt with a year. Of these, only a small proportion go on to be complaints that are formally referred to LeO, but do still require LeO’s input and support. The “cost per person helped” measure in the table divides LeO’s costs by contacts it dealt with, giving a fairer reflection of the extent of LeO’s activity and value of this early intervention.

The unit cost also doesn’t capture the value of LeO’s engagement and outreach work aimed at raising standards in the legal services sector – an area into which stakeholder feedback suggests there is strong appetite for LeO to invest further in future years.

	2020/21 actual	2021/22 actual	2022/23 forecast	2023/24 budget
Expenditure	13.2 million	£13.8 million	£15.1 million	£16.8 million
Cases resolved	4,704	6,576	9,383	8,128 (likely case)
Cost per case	£2,798	£2,092	£1,615	£2,065
Cost per person helped (based on total new contacts)	£128	£128	£140	£155

The OLC's previous Business Plan and Annual Report and Accounts outline the ways LeO is held to account for its performance by the OLC Board, and how the OLC is held accountable for LeO's performance by the Legal Services Board and Ministry of Justice. This includes sharing a monthly dataset giving a comprehensive picture of LeO's operations.

Last year's plan also details the improvements made to LeO's forecasting models, risk management and governance arrangements, including the challenge provided by a specific subgroup of the OLC Board. These arrangements will be maintained in 2023/24.

LeO will continue to use the National Audit Office's 4Es model – Economy, Efficiency, Effectiveness and Equity – supplemented by additional metrics and reported as part of the agreed dataset. This enables the OLC and LeO to identify where action is required to reach a balance between operational delivery and quality/customer satisfaction. For stakeholders, it provides a suite of key metrics which show how efficiently and effectively LeO is performing and where there is room for improvement.

A full set of assumptions underpinning this 2023/24 plan are attached as Appendix A. LeO will maintain its existing performance indicators during the OLC's interim strategy year, and will monitor the set of metrics shown in Appendix B. During the year LeO will continue to publish quarterly updates on how far it is reaching the aims it has set at [www.legalombudsman.org.uk/information-centre/data-centre/performance-data/](http://www.legalombudsman.org.uk/information-centre/data-centre/performance-data/). The OLC's 2023/24 Annual Report and Accounts will give a full update on LeO's performance.

As part of its work to develop its future strategy, the OLC will be considering how LeO's levels of performance and customer service and its wider impact on the sector can be meaningfully reported on going forward.

## Looking ahead

An effective and efficient LeO has clear benefits for both users and providers of legal services. As the OLC shapes its new strategy, it will ask questions such as:

- What might the shift toward early resolution and greater proportionality mean for how LeO is funded?
- How can the structure of case fees better enable fair and positive outcomes for both users and providers of legal services?
- What does a radically more flexible and efficient LeO look like, and what do we need to do to deliver it?

## Appendix A

### Business Plan assumptions 2023/24

Assumption	Projected monthly assumption (worst to likely case)
Files added to the investigation queue (pre-assessment pool) in light of Scheme Rule changes	Q1: 624 Q2: 624 – 593 Q3: 593 – 562 Q4: 562 – 531
Attrition	4.39 – 4.00 (average)
Maternity leave	8.76 – 7.97 FTE (average)
All sickness	8.80 – 8.00 FTE (average)
Conversion rate (% of cases that go on to be investigated after being triaged)	85% – 95%
Contingency factors	4% – 6% loss in monthly closures relating to training days, offsite visits and system outages.
Reallocations	70 – 64 (average)
Closures per established FTE	3.67 – 4.08 monthly average
Complexity of cases added to pre-assessment pool	Low: 67.4% – 66.3% Medium: 32.2% – 33.4% High: 0.3%
Complexity of cases closed by investigators	Low: 74% – 69% Medium: 31% – 26%
Reasonable adjustments	2.7 FTE (average)

## Appendix B

### Performance and value for money metrics 2023/24

LeO will maintain its existing performance indicators during the OLC’s interim strategy year, and will monitor the set of metrics below. LeO will continue to publish quarterly updates on how far it is reaching the aims it has set at [www.legalombudsman.org.uk/information-centre/data-centre/performance-data/](http://www.legalombudsman.org.uk/information-centre/data-centre/performance-data/).

	Measure
Economy	Budget variance against forecast
	Monthly and rolling turnover rate

	Measure
Efficiency	Unit cost
	Service level – General Enquiries Team
	Volume of cases awaiting assessment (PAP)
	Cases closed
	Cases closed BAU
	Cases closed – early resolution
	Productivity per (established) investigator
	% established investigators
	External engagement

	Measure
Effectiveness	Cases closed by agreed outcome
	Customer journey time (end-to-end KPI) – low complexity
	Customer journey time (end-to-end KPI) – medium complexity
	Customer journey time (end-to-end KPI) – high complexity
	Investigation age (avg. days) – low complexity
	Investigation age (avg. days) – medium complexity
	Investigation age (avg. days) – high complexity
	Customer satisfaction (BAU)
	Customer satisfaction (early resolution)
	Quality – reasonable outcome (BAU)
	Quality – reasonable outcome (early resolution)
	Quality – reasonable service (BAU)
	Quality – reasonable service (early resolution)
	% of service providers who find LeO training useful
	Stakeholder satisfaction

	Measure
Equity	Metric to be developed in line with collation of EDI data about LeO customers in first year of Scheme Rule changes



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