Meeting	OLC Board Meeting	**Agenda Item No.** **Paper No.**	For Information 147.1
Date of meeting	17 June 2026		

Title	**2026/27 Budget and Business Plan: Lessons learned**
Sponsor	Phil Cain, Chief Ombudsman Laura Stroppolo, Head of Programme Management and Assurance
Status	OFFICIAL
To be communicated to:	Members and those in attendance

Executive summary

The Executive Team has undertaken a structured lessons learned review following delivery of the 2026/27 Budget and Business Plan. The detailed findings are included in Appendix A.

The 2026/27 cycle shows the organisation's continued progress in planning, drafting and stakeholder engagement, with noticeable improvements in the quality, clarity and credibility of its outputs compared with previous years.

This has strengthened the organisation's ability to articulate demand, justify investment requirements, and maintain effective engagement with key stakeholders throughout the cycle.

The next phase of development will focus on shifting from improved delivery to greater strategic alignment, forward planning and external influence, ensuring the organisation is well positioned to support its longer-term transformation ambitions.

The Board is asked to note the following areas of strengthened performance:

- **Improved clarity and coherence of the Budget and Business Plan** driven by a more structured and iterative drafting approach and clearer separation of business as usual and project activity.
- **Effective governance and stakeholder engagement**, with Board and Committee oversight operating as intended and more proactive engagement with the Ministry of Justice, reducing the risk of late-stage challenge.
- **Stronger consultation design and messaging**, enabling the organisation to clearly articulate the drivers of demand and provide a more compelling rationale for its funding requirements.
- **Organisational resilience and adaptability**, with delivery maintained despite leadership changes and emerging requirements during the cycle, reflecting strong collaboration and ownership across the organisation.

To build on this progress and support delivery of the organisation’s strategic objectives, the following priority areas have been identified:

- **Earlier alignment on strategic direction and assumptions** - establishing a shared understanding at the outset of the cycle, particularly in relation to transformation as this will reduce ambiguity and limit the need for late-stage adjustment.
- **Strengthening external alignment and influence** - earlier and more direct engagement between the Board, MoJ and LSB will support clearer alignment on expectations and reduce reliance on Executive-level intermediation.
- **Enhancing the strategic use of consultation evidence** - broadening the stakeholder base and more clearly demonstrating the level and breadth of support will strengthen the organisation’s ability to influence external decision-making.
- **Embedding a more forward-looking planning approach** - moving toward a multi-year planning model, supported by scenario planning, will improve predictability, support long-term transformation planning, and reduce reliance on early-year data.
- **Ensuring sufficient capacity and resilience in the planning process** - building greater flexibility into the process will enable the organisation to respond to emerging requirements without impacting delivery timelines or overall coherence of outputs

Recommendation / action required

Board is asked to **note the report and share any relevant feedback.**

Equality Diversity and Inclusion

EDI implications	**Yes**

The Budget and Business Plan process continues to reflect the organisation’s commitment to Equality, Diversity and Inclusion, both in how it engages externally and how plans are developed internally.

The 2026/27 cycle demonstrated improvement in the clarity and accessibility of consultation design, with more structured questions and clearer rationale supporting greater engagement and understanding across stakeholders.

Freedom of Information Act 2000 (FoI)

Paragraph reference	**FoI exemption and summary**
N/A	N/A

Value for Money (VfM)

The 2026/27 Budget and Business Plan process demonstrated improved value for money through stronger articulation of demand and cost drivers, clearer separation of BAU and project activity, more focused and concise documentation, and effective governance oversight, collectively strengthening the credibility of the organisation’s funding case and the linkage between resources, delivery and outcomes.

Budget and Business Plan Lessons learned

17 June 2026

LEGAL OMBUDSMAN

Milestones

18 June
ARAC – Budget & Business Plan Timeline

18 June
OLC Board – Budget & Business Plan Timeline

25 September
OLC Board - Development Budget & Business Plan consultation

6 October
ARAC – Budget Setting Principles

22 October
OLC Board – Approval of Consultation, draft Budget & Business Plan and Budget Acceptance Criteria

27 November
LSB – Review of Draft Budget & Business Plan Consultation and Budget Acceptance Criteria

28 January & 25 February
OLC Board – Review / Approval of Budget & Business Plan and Final Budget Acceptance Criteria

24 March
LSB – Approval of Budget & Business Plan and Final Budget Acceptance Criteria

17 June
OLC Board – Lessons Learned

What we said following the 2025/26 cycle and what we implemented for 2026/27….

Suggestions/ideas we took forward for the 2025/26 cycle	What we did….
• Look to be more open in our dialogue with external stakeholders regarding the causes of demand – look to structure our engagement around this. • Use more of our horizon scanning on factors which are impacting demand. • Make use of the regulators forum to work with the profession i.e. issue a survey on the ongoing factors influencing demand.	• Consultation design improved (clearer questions and rationale helped stakeholders engage) • Continued use of forums (regulator forum, workshops), but stakeholder pool remained narrow
• Improved governance sequencing and assurance timing • Stronger forward planning (less reactive)	• Scheduled LSB Executive and MoJ budget discussions following 25/26 budget delays • Early PSG-type discussions added value in shaping assumptions (positive step)
• Start drafting earlier and separate planning vs drafting • Improve clarity and narrative alignment • Strengthen coordination across contributors	• Iterative drafting improved quality and helped rationalise BAU vs projects • LSB constraints (e.g. page limits) actually improved clarity and focus of outputs
• Stronger engagement and clearer expectation setting • Improved alignment with LSB and MoJ • Better integration of assurance and governance	• Board, ARAC and PSG engagement worked well overall (no major issues raised) • Proactive MoJ engagement throughout the budget and business plan process

Lessons from the 2026/27 cycle

What went well	Where we can improve
More structured and effective drafting process • Iterative drafting approach improved clarity and deliverability • Separation of BAU vs projects became more robust • External constraints (e.g. LSB page limits) helped focus the narrative	• Lock core narrative, assumptions and definitions earlier especially Transformation. • Reduce late changes driven by uncertain data and shifting budget options • Introduce a clearer "freeze point" in drafting and governance
Strong governance engagement (Board / ARAC / MoJ) • Board and committee engagement worked effectively overall • ARAC assurance arrangements operated without major issue • MoJ engagement improved with more proactive communication	• Earlier tripartite alignment (Board, MoJ, LSB, Exec) • Increase direct Board-to-Board engagement with LSB Reduce reliance on the Exec team as intermediary
Clearer consultation design and messaging • Consultation questions and rationale were well received • Improved ability to explain demand and justify budget proposals • Provided a stronger platform to build on for future cycles	• Better use and amplification of consultation evidence • Broaden the stakeholder base (especially consumer voice) • Make support more visible, quantified, and persuasive
Leadership continuity, agility and clarity of accountability • Despite changes in senior leadership during the process, the organisation maintained momentum through strong collaboration, clear coordination, and shared ownership of delivery. • The organisation responded effectively to emerging requirements during the cycle, including producing additional business case material, demonstrating flexibility and the ability to adapt at pace.	• Anticipate potential additional approval requirements (e.g. supplementary business cases) earlier in the planning cycle to reduce reactive pressure (where applicable). • Build greater capacity and contingency into the planning process, ensuring emerging requirements can be absorbed without impacting other priorities. • Strengthen forward planning and early scenario modelling to reduce the need for late-stage adjustments. • Strengthen handover arrangements and documented decision trails to ensure greater continuity and clarity during leadership transitions. • Minimise risk to pace by ensuring consistent senior ownership of key deliverables throughout the cycle.