

<b>Meeting</b>	OLC Board	<b>Agenda Item No.</b>	11
		<b>Paper No.</b>	125.7
<b>Date of meeting</b>	25 January 2023	<b>Time required</b>	10 minutes

<b>Title</b>	<b>Annual Report &amp; Accounts 22/23 Timetable &amp; Planning</b>
<b>Sponsor</b>	Laura Stroppolo, Head of Programme Management & Assurance
<b>Status</b>	OFFICIAL

### **Executive summary**

For The Annual Report and Accounts 22/23, LeO will continue to manage the process through project management architecture, ensuring all drafting and reviews are managed internally by the Head of Programme Management and Assurance and External Affairs resources.

Key points for Board to note include:

1. The improvements which have been made following the Lessons Learned review in Quarter 4 and details further enhancements which have been adopted as part of the Lessons Learned process.
2. The drafting will be owned and co-ordinated by the Stakeholder and External Engagement Manager, which minimises the risk of tone, language and messaging not being aligned. We are exploring the possibility of using external resource to increase capacity.
3. The project kick off meeting with all internal stakeholders is due to take place on 14 February. However, the high-level milestone planning and actions following the Lessons Learned is progressing in advance of this.
4. The key milestones for the project can be found in Appendix B
5. A draft set of key messages has been provided for OLC Board (Appendix C) and we would welcome early feedback on these. They are set out alongside extracts from published documents to ensure clear alignment with LeO's narrative so far, including the forward look of the 23/24 Business Plan. The ARA content will also reflect LeO's achievement in enhancing our performance reporting following the implementation of the Agreed data Set in PowerBi.

### **Recommendation/action required**

Board is asked to note the paper and provide feedback on the proposed narrative as detailed in Appendix C which will help inform thinking and planning for the February Workshop.

25 January 2023

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## Annual Report & Accounts 2022/23 – Update

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### **Background**

Following the lessons learned session in September 2022 with Executive Team and subsequent sessions with OLC Board in Quarter 3 and Quarter 4, a project management approach will be maintained to the Annual Report and Accounts for 2021/22.

A key milestone report has been produced, with the aim that the OLC will lay its 2022/23 Annual Report and Accounts by the end of June 2023, which is at the request from MoJ. This means we are working to far tighter deadlines to ensure that the full report with accompanying accounts is with the auditors by the 9 May 2023.

Two months have been blocked out to draft key messages and narrative based on reports which have been shared throughout the year. However, final year end reporting won't be available until mid-April and we are proposing to share a skeleton of the report (minus the accounts) to the OLC Board in April. Similar to last year, follow up calls with heads of departments will be scheduled to review draft narrative and to answer any queries from the lead drafter. A table detailing the lessons, suggestions and completed actions can be found in Appendix A.

### **Annual Report and Accounts – structure**

The Executive will be holding a session with Board colleagues at the February Board workshop to obtain Boards comments and feedback in relation to key messages and content they would like to include.

#### *Structure*

The latest Government Financial Reporting Manual (FReM) sets out clear expectations about the structure and contents of entities' annual reports. Specifically, each should have:

1. The performance report – “to provide the user with an understanding of the entity and how it has performed”
2. The accountability report – “to meet key accountability requirements to Parliament, who are the primary user of the annual report and accounts”
3. The financial statements.

A table summarising progress against the activities set out in the 2022/23 Business Plan will form the basis of the 2022/23 ARA performance report.

### *Style and design*

While the FReM is prescriptive in terms of structure, we do have some discretion over how we present information relating to our performance.

We will be drawing on best-practice guidance from both the FReM and the National Audit Office – much of which centres on the need to present information clearly, making effective use of graphics (including tables) to achieve this.

More broadly, we want the ARA to reflect the modern, customer-focused organisation LeO is on a path to becoming. As the Board will be aware, we have been working toward procuring external design support to ensure the look and feel of LeO's publications are consistent and support stakeholder confidence. We are in the process of procuring a set of flexible templates and design assets for use across LeO's external outputs. This means we could still achieve visual consistency while continuing to produce documents in-house, recognising the significant time and cost implications of a fully outsourced arrangement. Should this procurement be finalised in time, we will use these assets for the ARA. If it isn't complete, we will need to aim for a simplified but professional design using the tools available to us.

We would welcome any suggestions from the Board around the general look and feel of the ARA, as well as any particular presentation features they have seen used effectively by other organisations, which LeO could apply to its own reporting.

### *Key messages*

Building on the shift we have made since the 2022/23 Business Plan, we will aim for a tone of voice that conveys both honesty about the challenges LeO has faced and continues to face, and optimism about its progress and future trajectory.

As in 2021/22, the transparent approach LeO has taken throughout the year means there are no surprises or "new news" to communicate. We will look to summarise and, where needed, update the narrative around our performance that we have previously shared.

Some initial ideas for key messages are outlined in Appendix C. We welcome Board members' feedback on these messages, which we will factor into the draft report.

### **New and continued lessons learned**

The main area for improvement for this year relates to the structure and tone of the Annual Report. LeO are looking to revamp the design and structure of the Annual Report and a brief has been shared with procurement colleagues to progress.

Similar to last year, the programme plan has maintained the following points to ensure the robustness of the process remains intact.

- Time scheduled in for Chair reviews (April and June) ahead of OLC Board.
- A key lead has been assigned for drafting the Annual Report and all contributions to be commissioned by the Head of Programme Management & Assurance. This will enable the correct governance around version control and reduces manual errors.
- Annual Report Group Chat from MoJ will be created on Microsoft Teams – this will ensure consistency of messaging and process to be applied across all ALBs. However, awaiting a reply from MoJ on this.
- Executive reviews and approvals have been scheduled in the diary for May and June.

## Appendix A

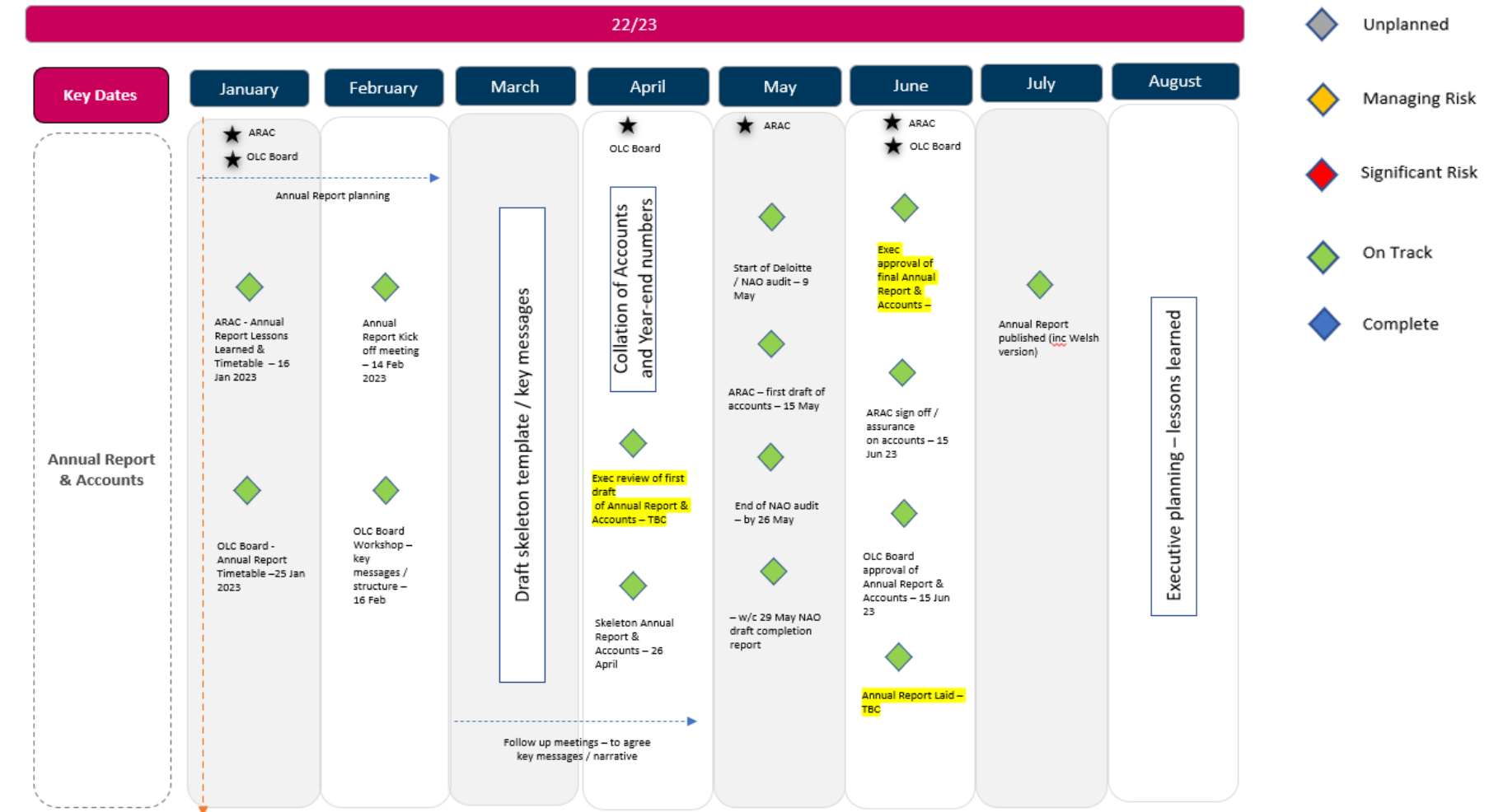
Lessons Learned	Suggestions for 22/23	Completed action
<p><b>Financial accounts:</b></p> <ul style="list-style-type: none"> <li>• Sustainability measures requirement was shared later in the process.</li> </ul>	<p><b>Financial accounts:</b></p> <ul style="list-style-type: none"> <li>• We will look to approach next year's in similar way to 2021/22 (mindful this was Deloitte's first year) in terms of checks / balances and engagement.</li> <li>• Planning and schedules to be shared by both parties (LeO and Deloitte).</li> <li>• Agree evidence required upfront with Deloitte – noting change in performance reporting (PowerBi).</li> <li>• Preparation and QA of data (front end) – two people assigned.</li> <li>• Asset Register to be tidied through an ongoing exercise with all departments involved – ensuring that we understand the assets that are still in use and within our control.</li> <li>• Finance to focus on understanding and applying the required presentation at the early part of the accounts production and agreeing with auditors. Auditors to look at reporting presentation earlier on in the process.</li> </ul>	<p><b>Financial accounts:</b></p> <ul style="list-style-type: none"> <li>• The Head of Finance and Finance Manager have met with National Audit Office and Deloitte audit team to discuss audit expectations and planning.</li> <li>• Planning on reporting Environmental, Social and Governance measures has commenced. Owners have been identified and assigned to sections of the Annual Report</li> </ul>
<p><b>Drafting Process:</b></p>	<p><b>Drafting Process:</b></p>	<p><b>Drafting Process:</b></p>

<ul style="list-style-type: none"> <li>• Late in the process for checking numbers / evidence trail for the front end of the report.</li> <li>• Very large document with graphics and formatting applied created issues with sharing and collaboration.</li> </ul>	<ul style="list-style-type: none"> <li>• Emphasise key points and messages from authors when commissioning narrative</li> <li>• Stronger focus on brevity from the outset, reducing the editing to be done later in response to Board feedback.</li> <li>• Agree key messages upfront as we did in 2021/22.</li> <li>• Produce and verify key data set (including any KPIs) as early as possible in the process.</li> <li>• After year-end agree key data set template to be created – use this for future materials when we discuss / present year end information.</li> <li>• Better ownership of front half of report (in particular the data and evidence) – audit trail.</li> </ul>	<ul style="list-style-type: none"> <li>• Drafting to commence throughout March and April.</li> <li>• Timetable &amp; Planning update at ARAC 16 January March and OLC Board 25 January.</li> <li>• Two Exec review and approvals built in (w/c 8 May and w/c 5 June)</li> <li>• Preparation and planning for the year end template to contain data has been concluded with the project lead and Business Intelligence Team</li> </ul>
<p><b>External Process</b></p> <ul style="list-style-type: none"> <li>• Delays with HH Global (print services)</li> <li>• MoJ</li> </ul>	<p><b>External Process</b></p> <ul style="list-style-type: none"> <li>• HH Global – supplier relationship now set up, will ensure early contact is made for 22/23 ARA (via email and telephone)</li> <li>• Liaise with MoJ contact/s for laying deadlines upfront and ensure communication is maintained throughout the process.</li> </ul>	<p><b>External Process</b></p> <ul style="list-style-type: none"> <li>• Contact made with MoJ in December – awaiting response</li> <li>• Contact made with print suppliers in early January</li> </ul>
<p><b>Design / production</b></p> <ul style="list-style-type: none"> <li>• Large file designed in-house using basic tools (Word and Excel) limited visual impact achievable.</li> </ul>	<p><b>Design / production</b></p> <ul style="list-style-type: none"> <li>• Procure and use a template and / or make better use of styles functions to reduce formatting difficulties.</li> </ul>	<p><b>Design / production</b></p> <ul style="list-style-type: none"> <li>• Continued engagement with Procurement &amp; Contracts Manager</li> </ul>

	<ul style="list-style-type: none"><li>• Consider point at which fully-designed version is created to reduce work associated with glitches arising from editing very large image heavy document.</li></ul>	
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# Appendix B

## High Level Milestone Plan: Annual Report 22/23





## Appendix C

Focus area	2021/22 Annual Report and Accounts	2023/24 Business Plan consultation	2022/23 Annual Report and Accounts - proposed
Overall performance	<p>Chair: “As we look to this second recovery year, there are no doubt challenges ahead – not least ensuring we deliver on our commitments to customers in the face of significant inflationary pressures. However, there are clear and consistent signs that LeO is on the path to a sustainable level of good performance and quality service – one which meets the needs and expectations of both users and providers of legal services”</p> <p>Chief Ombudsman: “I am very pleased so say that 2021/22 has been the year LeO got back on a stable footing. We have addressed challenges head-on, taking radical action where it was the right thing to do. While our journey is far from over, those relying on LeO have begun to feel the benefit of our investment in people, proportionality and early resolution and innovation”</p>	<p>Chair: At the end of our 2020-23 strategy period, the OLC is in no doubt about the genuine progress LeO has made in recovering its performance – and in turn, the genuine difference this has made to customer experience and stakeholders’ confidence.”</p> <p>Chief Ombudsman: “... I’m pleased to say the outlook has shifted significantly. By the end of March 2022 we had resolved 40% more complaints than we did in 2020/21 – and have sustained this performance to date in 2022/23. The number of people waiting has reduced for seven consecutive months, and we remain on course to halve that front-end queue by the end of March 2023.”</p>	<p>LeO has made the step-change it needed to. The experience of users and providers of legal services, who rely on us to help them move forward, has significantly improved over the course of the year.</p> <p>The step-change we’ve made is testament to the hard work of our people and their commitment to helping users and providers and legal services.</p> <p>[It could be good to articulate something along the lines of ‘LeO is back’ - as per Paul and Elisabeth’s staff email] We’ve seen a growing appetite from stakeholders to hear more from LeO. We can credibly look ahead to a future where we’re not only making a difference in individual complaints, but have a valued impact on the wider legal sector.</p>
Priority One/equivalent (performance recovery)	Chair: It is disappointing to end the year with high numbers of cases still waiting for LeO’s intervention.	Chair: “The impact of the action LeO has taken is already being felt by users and providers of legal	We achieved more than 90% of our target for resolving complaints. We are both proud of LeO progress and

	<p>Neither the OLC nor LeO are the slightest bit complacent about the task ahead of us in the months ahead.</p> <p>Chief Ombudsman: “To be clear, LeO did not achieve the targets we set ... we simply could not make the full headway we aimed to without the resource we needed ... However, we’ve made huge strides and a step-change in performance. We achieved a 40% increase in output on 2020/21 levels, resolving 93% of the cases we forecast...”</p>	<p>services. However, in the uncertainty of the current environment, the OLC and LeO must maintain a laser-like focus on getting LeO to a level of performance that is both acceptable to its customers and sustainable in the long run.”</p> <p>Chief Ombudsman: “It is [LeO’s] focus on people that will ensure that, by the end of March 2024, LeO’s frontend queue will have been drastically reduced. It is now a question of when, and not if, that queue is removed: something that for many seemed out of reach not so long ago.”</p>	<p>impatient to make further progress toward a genuinely first-class experience for those relying on us.</p> <p>We are pleased, though never complacent, that we’ve maintained stakeholders’ improved levels of confidence. We’ve continued to refine our thinking about our trajectory, and been transparent about the challenges we’re facing.</p> <p>[We need some strong customer experience improvement statistics to support this key message]</p>
<p>Priority Two/equivalent (proportionality/efficiency)</p>	<p>Chair: “LeO has also answered the sector’s call to think radically, doing everything within its control. Significant effort was invested from the outset in developing new ways of working, making LeO’s service more proportionate and flexible. [Scheme Rules changes will] mean those relying on LeO’s intervention can get that input when it really matters”</p> <p>Chief Ombudsman: Taken together, these front-line initiatives and innovations have already delivered substantial improvements. Many things that were tentative ideas a few months ago are now simply how we do things at LeO ... Overall, we</p>	<p>Chair: “In LeO’s updated mission is an explicit focus on the early resolution of complaints – and in its objectives, a renewed emphasis on customers’ experience and proportionality ... 2023/24 will be about ensuring the changes LeO is making are effective and sustainable, and uphold the principles of fairness and access to justice.”</p> <p>Chief Ombudsman: “...LeO will become even more efficient and proportionate. With early resolution continuing to bring down waiting times, changes to our Scheme Rules will ensure we can truly take the right approach at the right time</p>	<p>Having met stakeholders’ calls for radical action, we have laid the groundwork for important changes to our Scheme Rules that will take LeO further on its journey to becoming far more proportionate and efficient – which is ultimately about giving the right answer at the right time, helping people move forward whatever the outcome.</p> <p>We recognise, and have responded to, the need to ensure we stay accessible to everyone who needs us.</p> <p>Building on last year, we’ve realised further efficiencies across our work.</p>

	<p>have made substantial progress toward rebalancing our approach to resolving complaints – giving people the right answer at the right time – with the foundation laid for more in the months ahead.”</p>	<p>for users and providers of legal services. As we do so, we will carefully monitor the accessibility of our service and also strengthen our quality framework.</p>	<p>[Need some examples to support this]</p>
<p>Priority Three/equivalent (learning/impact)</p>	<p>Chief Ombudsman: “While turning round LeO’s operational performance, we continued to deliver this essential part of an Ombudsman’s work. This ranged from thematic reports, complaints data and analysis of themes, publishing new guidance on our website, to discussing complaint trends with legal sector representatives face-to-face.”</p>	<p>Chair: “There are many questions we will need to ask ... What should be the scale of LeO’s ambition for its wider impact on the legal sector – and how can it measure that impact?”</p> <p>Chief Ombudsman: “... sharing the learning from complaints we see is instrumental in managing demand for LeO: encouraging both fewer complaints and better complaint-handing. We know stakeholders value our engagement with them, and in 2023/24, we will gain a better understanding of how we can develop and better focus that engagement.”</p>	<p>We’ve continued to deliver a stable programme of learning and insight opportunities for the legal sector – which has been well-received and valued by those we’ve engaged with.</p> <p>While LeO’s priority has been recovering its performance and improving customer services, we’ve heard loud and clear the call to do more in this space and are committed to taking this forward.</p>
<p>Culture and people</p>	<p>Chair: “Given that LeO’s people are key to its success, it is essential that there has been a substantial improvement in how staff rate LeO’s leadership and the way change is managed ... [LeO’s] progress isn’t only in terms of performance delivery but extends to the wider management and leadership of LeO and the corporate functions that are critical enablers of everything it does.”</p>	<p>Chair: “Many initiatives with a strategic impact are in train: [including LeO’s] critical People Strategy and action plan for equality, diversity and inclusion (EDI) ... As the world of work evolves, how can LeO differentiate itself as an employer, attracting and retaining a diverse range of people? And what skills will those people need?”</p> <p>Chief Ombudsman: “.. our people are the driver of LeO’s success. Our</p>	<p>We’ve made substantial progress in LeO’s journey toward being a great place to work – with more planned for the year ahead under our People Strategy.</p> <p>Our investment in openness and engagement has paid off: building on last year’s improvements, our People Survey results show further increases in our people’s ratings of X, X and X.</p>

	<p>Chief Ombudsman: “[LeO’s people’s] ideas have been front and centre of the progress we’ve made in resolving more complaints at an early stage. But our commitment goes beyond this, to how we want people to feel about working for LeO ... As with our stakeholders’ confidence, I’m committed to maintaining this progress and going further”</p>	<p>People Strategy will continue to build a culture where everyone feels engaged, included, and supported – because that’s when people will want to join LeO, stay with us, and perform at their very best, wherever they are working.”</p>	<p>We’ve put equality, diversity and inclusion at the heart of our people plans, strengthening our team and our networks.</p>
<p>Uncertainty in environment (eg Covid-19 impact, inflation)</p>	<p>Chair: “As we look to this second recovery year, there are no doubt challenges ahead – not least ensuring we deliver on our commitments to customers in the face of significant inflationary pressures. However, there are clear and consistent signs that LeO is on the path to a sustainable level of good performance and quality service”</p>	<p>Chair: “... in the uncertainty of the current environment, the OLC and LeO must maintain a laser-like focus on getting LeO to a level of performance that is both acceptable to its customers and sustainable in the long run.”</p> <p>Chief Ombudsman: “... like all organisations, we face significant unavoidable costs and inflationary increases. We also recognise the very real risk of losing skilled people if we do not take into account the rising cost of living and ensure the competitiveness of LeO’s offering.”</p>	<p>The year ahead will see LeO and its stakeholders navigate an extremely challenging financial landscape. This makes it more important than ever we maintain our focus on value for money.</p> <p>Many of the challenges we’ve faced in the recruitment market are shared by other organisations – and make it all the more vital we differentiate ourselves as an employer as we look to the future.</p>
<p>Confidence and transparency</p>	<p>Chair: “I have seen a marked difference in tone between the conversations we were having a year ago with stakeholders about their confidence in the Legal Ombudsman.”</p> <p>Chief Ombudsman: “We have delivered on our commitment to sharing updates on our recovery, through regular open and</p>	<p>Chair: “At the end of our 2020-23 strategy period, the OLC is in no doubt about the genuine progress LeO has made in recovering its performance – and in turn, the genuine difference this has made to customer experience and stakeholders’ confidence. LeO’s journey to date has been one of complete accountability transparency. This has in itself been</p>	<p>LeO’s transparency around the challenges it’s faced has in itself improved stakeholders’ confidence.</p> <p>We will continue to take this open, collaborative approach as we think about the future of LeO and its role in the legal sector.</p>

	transparent stakeholder engagement throughout the year and establishing a Challenge and Advisory Group, which has been an invaluable forum for honest two-way feedback.”	welcomed by stakeholders, building trust in LeO and its leadership team.”	
Funding and value for money	<p>Chair: “... the OLC has rigorously tested the assumptions and forecasts on which LeO’s decisions have been based, and has expected to see a proactive approach to managing the risks inherent in delivering this type of transformation. I am grateful both for the constructive challenge the Board has provided throughout the year, and for the positive way LeO’s leadership has engaged with this.”</p> <p>Chief Ombudsman: “In our focus on making improvements across LeO, and in every financial decision we’ve made, we’ve shown our commitment to generating savings and efficiencies in light of significant inflationary pressures. The underspend we experienced in 2021/22, relating to our difficulties recruiting, was far from ideal. We have, however, shown the importance we place on ensuring this won’t be repeated...”</p>	<p>Chair: “LeO has already made significant efficiencies across its processes ... The current economic context is undoubtedly difficult for all organisations. The OLC’s draft budget aims to strike a difficult balance – trying to minimise our cost to legal services providers, while ensuring LeO completes its recovery journey. And recognising the extraordinary inflationary pressures we all face, and the very real impact on LeO’s people of the rising cost of living.”</p> <p>Chief Ombudsman: “LeO is not looking to increase staff resourcing levels in 2023/24 – and excluding pay and inflation (other than on energy costs), our 2023/24 budget is broadly in line with last year’s ... This consultation sets out an inflationary budget that will allow us to deliver on the commitments we have made – while ensuring we provide value for money for legal providers.”</p>	<p>We have now seen the significant benefit of the investment in expert ombudsman resource LeO asked for in 2022/23. Building on last year, we’ve realised further efficiencies across our work.</p> <p>The year ahead will see LeO and its stakeholders navigate an extremely challenging financial landscape. This makes it more important than ever we maintain our focus on value for money.</p> <p>As LeO reaches a point of stability, and the OLC develops its future strategy, we can start conversations about the future scale and balance of our resourcing – bearing in mind the strong appetite for us to do more to drive improvements in the legal sector.</p>
Outlook	Chair: “... there are clear and consistent signs that LeO is on the path to a sustainable level of good performance and quality service – one which meets the needs and	Chair: “While 2022/23 has been about turning ideas tested in 2021/22 into “business as usual”, 2023/24 will be about ensuring the changes LeO is making are effective	2023/24 is a critical year for LeO, as it delivers on its commitment to

	<p>expectations of both users and providers of legal services.”</p> <p>Chief Ombudsman: “The foundations we have laid in 2021/22 have put LeO in a far stronger position to achieve our future aims for our customers – including the second recovery year we’ve recently begun.”</p>	<p>and sustainable, and uphold the principles of fairness and access to justice ... As always, the OLC is grateful for every perspective shared with us as we work to deliver our ambition: a trusted and thriving Legal Ombudsman scheme that supports a trusted and thriving legal sector.”</p> <p>Chief Ombudsman: “I have said throughout this journey that there is no room for complacency. 2023/24 will be about further embedding our progress, ensuring the gear change LeO has made is genuinely sustainable ... While LeO’s recovery journey isn’t yet over, we want to start the conversation about what a future LeO will need to look and feel like.”</p>	<p>reach an acceptable and sustainable level of performance.</p> <p>We can credibly look ahead to a future where we’re not only making a difference in individual complaints, but have a valued impact on the wider legal sector.</p>
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