

Meeting	OLC Board	Agenda Item No.	13
		Paper No.	126.8
Date of meeting	26 April 2023	Time required	15 mins

Title	23/24 Budget & Business Plan – Lessons Learned
Sponsor	Laura Stroppolo, Head of Programme Management & Assurance
Status	OFFICIAL

Executive summary
<p>For the 2023/24 Budget and Business Plan cycle, the Head of PM&A followed the programme management architecture in relation to tracking deliverables associated with submitting a robust Budget and Business Plan.</p> <p>The Budget and Business Plan was approved by the Legal Services Board (LSB) on 21 March and was published on the 29 March. The Executive Team and key internal stakeholders took part in a Lessons Learned exercise on the 4 April. The key findings of the session are detailed in the accompanying slide deck (Appendix A) alongside suggested recommendations and improvements for the 2024/25 cycle.</p> <p>The Lessons Learned session with the Executive focused on 4 key areas:</p> <ol style="list-style-type: none"> 1. Consultation process and stakeholder engagement 2. 2023/24 planning cycle 3. LSB Budget Acceptance Criteria and Business Plan drafting 4. Engagement with OLC Board <p>The key points the Executive would like to draw Board's attention to are the following:</p> <ul style="list-style-type: none"> • The process was well-managed and the collaboration between the Head of PM&A and External Affairs worked well. The process factored in weekly catch ups to understand current progress, risks and preparation for key approvals. • The Legal Services Board praised the OLC and LeO for the robustness and quality of our submission. • Whilst the feedback on the stakeholder events was positive, the Executive would like to improve internal and external engagement: for example, by running smaller focus

groups with a sharper focus on the priorities, and considering other approaches such as using interactive tools. These will help mitigate against the tendency for a few voices to dominate in a larger group discussion.

- In order to minimise errors in the drafting, a 'criteria assurance' document will be created for next year, which will designate responsibility for specific key sections to individual Executive Team members in their areas and hold them to account on these.
- The Executive are keen to seek Board's views on agreeing a cut off point for agreement on data and assumptions to inform trajectories, which will help with an earlier sign-off on numbers and reduce the risk of inaccuracies arising from late and wide-reaching changes to Business Plan documents. The exception would be something significant occurring that necessitated a full refresh of the trajectories, which would be highlighted to the Board as soon as it arose. Consideration could also be given to whether the very specific nature of figures provided (eg 1,828) could convey a false sense of certainty, and undermine the message that LeO is working with forecasts. Do final published documents need the same granularity of numbers as internal and LSB-focused documents?
- As part of the 2024/25 planning cycle, the Head of PM&A will meet with the Chair of the Performance Sub Group to schedule meetings earlier on in the process to give assurance that the trajectories are fully tested and challenged and provide Board assurance earlier in the process. The respective roles of Board and the Sub Group in assurance and sign-off could also be considered and clarified.

The relationship between LeO and the LSB has continued to grow during the year and regular catch ups between The Head of PM&A and LSB Head of Strategy & Policy has further enhanced this. The LSB were invited to share feedback on the 2023/34 process as part of the lessons learned feedback and they commented on how smooth the process had been and our level of engagement throughout. Our candidness and transparency was welcomed, and comprehensive information was provided which allowed their Board to take its decision to approve. The LSB also commented on the revised documentation late on in the process and are aware that we are looking at ways to address this as part of the 2024/25 budget submission.

The Head of PM&A will continue to engage with LSB regarding timings for papers and the consultation process for 2024/25, noting we will also be seeking their views on the development of the OLC's new strategy this year.

Board is invited to contribute to the lessons learned and share any thoughts or ideas to factor into the 2024/25 cycle, which will commence during May.

Recommendation/action required

Board is asked to **share their thoughts and feedback following the 2023/24 cycle.**



Budget and Business Plan

Lessons learned

26 April 2023

Milestones



What we said following the 2022/23 cycle...

Consultation process

Lessons learned/considerations from the 2022/23 cycle	Suggestions/ideas we took forward for the 2023/24 cycle
<ul style="list-style-type: none">• Consider the value of a mid-year review (and assess this against the diversion of scarce resource at critical point) and whether regular reporting more publicly would allow us to better provide that transparency.	<ul style="list-style-type: none">• Mid-year review was detailed in the consultation document and not discussed as a separate meeting• 'Soundings Approach' meeting with OLC, LeO and LSB took place on 29 Sep.
<ul style="list-style-type: none">• The mid-year review didn't allow us a great opportunity to develop the wider context and reasons/challenges and what was being done to address them – or maybe didn't allow us to be understood on those points.	<ul style="list-style-type: none">• More regular external performance reporting with stakeholders will share progress on performance and forward look more regularly, minimising the need for a point in time review at the halfway stage.• Quarterly updates of Business Plan progress was shared with stakeholders.
<ul style="list-style-type: none">• The drafting of both documents landed in the middle of peak leave period for staff (August).	<ul style="list-style-type: none">• Consider timings, reviews and approvals as part of the 2023 Board and committee cycles (including annual leave).• Ensure reporting is aligned to our existing reporting cycle to reduce capacity constraints.

What we said following the 2022/23 cycle...

23/24 Planning

Lessons learned/considerations from the 2022/23 cycle	Suggestions/ideas we took forward for the 2023/24 cycle
<ul style="list-style-type: none">Budget-setting assurance clearly defined – principles shared with ARAC in October and full evidence provided in January before final Board approval.	<ul style="list-style-type: none">Budget Setting Assurance and criteria to be identified – following final internal audit on 22/23 process.
<ul style="list-style-type: none">It can be a very pressured schedule, packed with many points of interface with OLC Board and LSB. Key points where turnaround time is short puts significant pressure on the Executive to deliver.	<ul style="list-style-type: none">Programme planning for the 23/24 cycle to commence in May.Look to include Exec Financial Reviews and checkpoints based on staff / non staff costs – separate meeting to Executive Team meetings.Forward planning for Executive annual leave during peak summer months.Steer required on including P&Q as part of the cycle and if so, factor this into the planning.Continue with iterative approach with Board members (review and approvals).Key Executive, Board and committee meetings to be scheduled in advance where possible, and include an earlier budget sign-off in progress.
<ul style="list-style-type: none">Management Team engagement throughout the process (planning / high level milestones and their input into deliverables).	<ul style="list-style-type: none">Forward plan management team workshops regarding Business Plan deliverables and activities.

What we said following the 2022/23 cycle...

Business Plan / BAC drafting

Lessons learned/considerations from the 2022/23 cycle	Suggestions/ideas we took forward for the 2023/24 cycle
<ul style="list-style-type: none">• Consider prior engagement with LSB colleagues on their views of the Budget Acceptance Criteria – consider updating / amending in light of 3-year strategy.	<ul style="list-style-type: none">• Engagement with LSB before criteria is confirmed and issued – this was completed on 19 May.
<ul style="list-style-type: none">• Going forward, need to agree a cut off point from when the data is forecasted from – many iterations to the numbers from the monthly revised targets.	<ul style="list-style-type: none">• Q3 data in advance of January Board• Gain further clarity on the assumptions built in and the vacancy factor.
<ul style="list-style-type: none">• Ideas for visuals came quite late in the process – need to be clear upfront on format and visuals to aid messaging.	<ul style="list-style-type: none">• Agree with key stakeholders on the format and use of visuals earlier on in the process.

What we said last year...

Stakeholder engagement

Lessons learned/considerations from the 2022/23 cycle	Suggestions/ideas we took forward for the 2023/24 cycle
<ul style="list-style-type: none">• Ensured stakeholders were kept updated throughout the process – no radio silence (emails / letters from CO & Chair).	<ul style="list-style-type: none">• Look to schedule a face-to-face stakeholder event as part of the 23/24 cycle.• Look to expand the stakeholder engagement to target those who directly / indirectly determine response.
<ul style="list-style-type: none">• Positive feedback on staff events (worked well hybrid).	<ul style="list-style-type: none">• Factor in more staff events and comms throughout the cycle (not just at the draft and final stage).• Consider timings and planning of Budget & Business Plan events and All Staff Briefings.
<ul style="list-style-type: none">• Utilised Challenge & Advisory Group – however it did show their overall lack of understanding around what we do, why we do it and why we can't just do things differently. This leads to one of two outcomes: either we need to engage more with stakeholders, so they understand our business and process better; or we get better at explaining the level of engagement that they are entitled to.	<ul style="list-style-type: none">• CAG meetings were scheduled during key stages of the year, to include updates and methodology on assumptions and trajectories.

What we said following the 2022/23 cycle...

Engagement with OLC Board

Lessons learned/considerations from the 2022/23 cycle	Suggestions/ideas we took forward for the 2023/24 cycle
<ul style="list-style-type: none">• Chair reviews were helpful before final papers were issued.	<ul style="list-style-type: none">• Continue to build in OLC Chair reviews.• Continue to build in delegated approvals throughout the cycle.
<ul style="list-style-type: none">• Gained Board views early on shape, structure and messages.	<ul style="list-style-type: none">• Continue to engage Board through an iterative process.

Lessons learned from the 2023/24 cycle

Purpose

Following the approval of the 2023/24 Budget and Business Plan, the Board are invited to share their views on the areas below as part of the 2023/24 lessons learned process, which the Executive will look to factor in as part of the 2024/25 cycle. The intention is to focus on the things that went well, not so well and what can we do differently next time.

Consultation process and stakeholder engagement

2023/24 planning cycle

LSB Budget Acceptance Criteria and Business Plan drafting

Engagement with OLC Board

Lessons learned from the 2023/24 cycle



Consultation process and stakeholder engagement

Consideration points:

- Did the consultation events do enough to pre-empt comments / feedback?

What went well:

- ✓ The mid-year review was light-touch and stakeholders were kept up to date throughout the process (website / stakeholder meetings)
- ✓ Held two stakeholder sessions (9 Nov – external & 10 Nov – internal)
- ✓ The stakeholder events were early on in the consultation process to gauge their views / inform our thinking
- ✓ We proactively engaged with stakeholders in different ways, eg RPC on 23 Nov and Consumer Panel on 30 Nov
- ✓ Ensured stakeholders were kept updated throughout the process – no radio silence (emails / letters from CO & Chair)
- ✓ Transparent, open, early and regular (more forums); there was really no new news in the consultation or final documents
- ✓ Clear that stakeholders took confidence from proposals and welcomed engagement
- ✓ Responded well to stakeholder concerns and comments throughout
- ✓ Identified core concerns from LSB and were able to respond

What didn't go so well:

- Didn't anticipate the shift in focus to P3 in stakeholder feedback – our focus remained on P1/P2 (though this could be seen as reassuring given it suggests confidence in LeO's recovery)
- Timing of consultation vs sharing the stakeholder feedback with board – limited engagement from a feedback perspective (too early / too late)

Where we could improve for the 2024/25 cycle:

- Ensure sufficient focus on all areas when engaging with stakeholders – have the confidence to look outward to the impact we can have and not just inward to performance challenges
- Create stakeholder map – identify when, who, what we are engaging / consulting – are we targeting the right stakeholders and the right people?
- Look to facilitate breakout group sessions / focus groups (internal and external) – more focus on the Business Plan priorities and digging deeper into their thoughts and feedback on proposals, rather than being side-tracked by granular/individual staff/stakeholder issues that can be addressed individually or at other forums,
- Look to engage wider than Management Team – do we look to target a management level lower or team level to help shape future plans?
- Make the best use of interactive tools eg Slido / MS forms to widen internal and external stakeholder engagement, recognising the tendency for a few voices to dominate in a larger group discussion format.

Lessons learned from the 2023/24 cycle



2023/24 planning cycle

Consideration points:

- Key leads / accountability / sign off
- Did Exec feel informed on dates, milestones
- What needs to be factored into 24/25 planning?

What went well:

- ✓ Budget-setting assurance clearly defined – planning session booked in advance of project kick off
- ✓ Continued to engage Management Team throughout the process (June, Oct & Dec)
- ✓ Regular catch ups with LSB counterpart factored into diary – built relationship, trust and confidence
- ✓ Weekly catch ups with Head of PM&A and External Affairs monitoring progress worked well
- ✓ Well-managed process to enable the OLC to deliver a robust Budget and Business Plan

What didn't go so well:

- Defining the cut off point for trajectories – impacts narrative and charts and increases the risk of errors
- Individual ownership of content (including changes) relating to wider narrative in both documents. Alignment in performance numbers and budget figures.
- Push back late on in the process re trajectories – this impacted Exec and others' capacity as re-work required.

Where we could improve for the 2024/25 cycle:

- Factor in proofread from someone outside the process (draft and final)
- Create criteria narrative assurance document (similar to the Annual Report & Accounts) – increase accountability
- Define and agree cut off date for trajectories / one document which has all performance forecasts and which can be updated and shared (single version of the truth). Be more disciplined in enforcing this cut off – even where new data shows better performance, this can be referenced narratively without changing numbers.
- Agree cut off date with OLC Board to agree trajectories, noting these will only change if something drastically changes.
- Re-consider whether the very specific nature of figures provided could convey a false sense of certainty, and undermine the message that LeO is working with forecasts. Could externally published documents provide less granular detail than internal working documents and LSB focused reports?
- Schedule in earlier Performance sub-groups and present assurance to the OLC Board – gauge wider Board's thoughts / feedback earlier. Clarify respective roles of P&Q vs full Board in trajectory assurance/signoff (see also slide 12).
- Understand the costing of a forecast model which is responsive and agile to update following an assumption review
- Include a two-step bidding process (start and end of cycle) – this allows The Executive to reconsider any final adjustments based on demand, resource and capacity.

Lessons learned from the 2023/24 cycle



LSB Budget Acceptance Criteria and Business Plan drafting

Consideration points:

- What worked well / not so well when collating the paper?
- Key leads / accountability / sign off
 - Engagement with LSB

What went well:

- ✓ Maintaining a key lead for drafting to ensure consistency in messaging and tone
- ✓ Improved final documents – shorter, concise and looked to cross reference as opposed to duplication
- ✓ Key leads were defined at an early stage to share narrative with External Affairs
- ✓ Used the BAC document as the main document for narrative input for Exec leads, which allowed the Business Plan to be distilled down and more capacity for Exec leads.

What didn't go so well:

- Impact of trajectories / numbers changing impacted on drafting in terms of updating visuals – this takes time.
- Key ownership of criteria / sections to be quality assured and signed off
- Comments / tags not always updated or responded to – which meant some questions were left unanswered at critical points in the process.
- Web version versus desktop – distorts formatting and comments meaning these can be easily missed, and changes harder to follow.

Where we could improve for the 2024/25 cycle:

- Create criteria narrative assurance document (similar to the Annual Report & Accounts) – increase accountability
- Define and agree cut off date for trajectories / one document which have all performance forecasts which can be updated and shared (one single version of the truth)
- Regular follow ups of key changes, amends to be communicated out, directing leads to review and update where necessary
- Propose that desktop app is used for review/input by Exec leads unless working pattern/device means this is impossible.

Lessons learned from the 2023/24 cycle



Engagement with OLC Board

Consideration points:

- What worked well / not so well when sharing drafts with Board?
- Do we have the right level of engagement? (too little / too much?)

What went well:

- ✓ Good clear forward planning on what needed from the board
- ✓ Getting Board views early to help shape structure and messages (May, June, Sep, Oct, Jan)
- ✓ 'No surprises' / messaging is very tight – clear, focussed on messaging – shift in performance reporting – receiving the feedback on progress of the Business Plan as well
- ✓ Direct support on messaging and early drafts
- ✓ Flexibility in Board approvals / delegated approval process works well
- ✓ Positive feedback on content and presentation
- ✓ Board were supportive of the work we did and reflected on the improvement of process and outcome

What didn't go so well:

- Discussions with Chair around clarity of CJT messaging happened late in the process, and required a lot of discussion/work to address
- Late changes to assumptions and trajectories following additional scrutiny (see previous slide).

Where we could improve for the 2024/25 cycle:

- Understand the relationship between the Performance Sub Group and OLC Board – gain views from wider Board colleagues to feed into the Performance Sub Group – allowing Board to take assurance at the first opportunity
- Do more to anticipate key areas where clarity of messaging is paramount

