Minutes of the 145th Meeting of the Office for Legal Complaints (OLC)

25 February 2026

OLC Board members present.	**In attendance**
Elisabeth Davies, OLC Chair	Phil Cain, Chief Ombudsman Designate
Elaine Banton	David Peckham, Interim Joint Chief Executive
Georgina Philippou	Steve Pearson, Interim Joint Chief Executive
Rachel Cerfontyne	Blessing Simango, Head of Finance, Procurement, and ICT
Hari Punchihewa	Zoe Grainger Head of People Strategy and Culture
Owen Purcell	Mike Harris, Head of Communications, Engagement, and Impact
Alison Sansome	Laura Stroppolo, Head of Programme Management and Assurance
Ric Blakeway, OLC Chair Designate	
Minutes	
Kay Kershaw, Board Governance Manager	

Item 1 - Welcome, apologies, declarations of interest and other preliminary matters

1. The Chair welcomed attendees to the meeting and formally introduced Ric Blakeway, OLC Chair-designate, and Phil Cain, Chief Ombudsman-designate.
2. There were no apologies.
3. The meeting was quorate with a lay majority.
4. There were no declarations of conflicts of interest reported.
5. It was noted that following formal consideration of the agenda item on the 2026/27 Budget and Budget Acceptance Criteria, the Board would participate in a closed session focussed on the 2025/26 Annual Report and Accounts and developing the 2027/30 OLC Strategy. These items would not be minuted.

Item 2 – 2026/27 Budget and Budget Acceptance Criteria

6. The Board considered the Budget Acceptance Criteria (BAC) paper alongside the Scheme Transformation Review proposal.

7. Having formally recorded his thanks to the Executive Team for their input in developing the BAC and Scheme Transformation papers, the Chief Ombudsman drew the Board attention to the following key points:

    - The Executive was seeking approval to submit a budget request of 11.1% as its preferred option, alongside a 6.5% alternative option for comparative purposes. It was highlighted that the 11.1% option would not enable the reduction of existing backlogs; however, it would stabilise performance over a twelve-month period, enabling the organisation to manage current demand pressures while progressing the Scheme Transformation Programme in parallel.
    - The 6.5% alternative was included in the BAC, to illustrate the impact on LeO's operations. This lower level of funding was expected to result in 1,200 fewer investigations being completed and a material increase in backlogs, with consequent implications for future budget requirements.
    - Under the 11.1% option, the Executive anticipated seeking an inflationary increase in the following year, alongside funding for years two and potentially three of the Scheme Transformation Programme. By contrast, the 6.5% option would be likely to require a similar level of additional funding in 2027/28 (6.5%), together with further funding for years two and three of the Scheme Transformation Programme.
    - It was anticipated that front-loading the budget through an 11.1% increase would be more cost-effective than seeking comparable increases across successive years. However, given the prevailing economic and political context, a phased approach might be more palatable. The Executive was clear, however, that the adoption of the 6.5% option would necessitate returning in the following year to seek a similar uplift.
    - The BAC and the Scheme Transformation were intended to limit the rate at which demand continued to increase, while improving the number of investigations completed. The Executive's preferred budget option would allow the organisation to undertake external consultation during the design and development phase of the transformation programme, with the aim that by 2030, LeO's standard budgeting position would be based on inflationary increases only, except where a clear justification for additional funding was required. This formed part of the wider

ambition set out in the emerging 2027/30 strategy to establish a financially and operationally stable, efficient, and effective organisation by 2030.

- Having soft market tested the Scheme Transformation Review proposal, three options for resourcing the transformation programme had been identified. The preferred option was the use of external consultancy support, at an estimated cost of approximately £0.9m for phases one and two; this was considered to offer the best value for money and sat mid-range compared with the other options. Utilising external consultancy support would allow the programme to mobilise quickly, provide specialist capabilities not currently held within the organisation, and progress transformation at pace while maintaining operational delivery.
- The other resourcing options identified were the use of internal staff and two-year fixed-term contracts. It was explained that utilising internal staff would compromise business as usual delivery and prevent effective stabilisation, while fixed-term contracts would result in significant delays due to recruitment, onboarding and training, meaning transformation activity would not commence for a further year.
- It was noted that the Ministry of Justice (MoJ) had confirmed that the Scheme Transformation Programme was not eligible for innovation funding.

8. In considering the BAC and Scheme Transformation Review papers, Board members noted the substantial work undertaken by the Executive in response to the feedback the Board, the Legal Services Board (LSB) and MoJ had previously provided and acknowledged the improved quality, clarity, and tone of the papers. In discussion recommendations were made to further strengthen the papers, which included:

   - Clarifying the operational impact of phasing the proposed 11.1% uplift, explicitly setting out how spreading the increase would delay recruitment and capacity growth, reduce the number of investigations delivered over the period, and lead to poorer operational outcomes and higher backlogs.
   - Strengthening the rationale for the inclusion of the alternative 6.5% budget option, making clear that this option was presented as a comparator to illustrate risk, including the likelihood that a lower upfront settlement would necessitate a further significant funding request in the near future.

- Providing a clearer explanation of timing and ramp-up effects, including that the operational benefits from funding are not immediate and are sensitive to the timing of budget approval and recruitment.
- Being more explicit about what the additional funding would deliver in practice, including how increased investment would translate into investigation capacity and backlog management over time, and why headline case numbers may understate impact due to complexity and duration of investigations.
- Strengthening the articulation of demand assumptions and external drivers, clearly distinguishing previous operational performance improvements from the impact of unprecedented increases in demand and wider system pressures.
- Reviewing and qualifying statements on future inflationary increases, to avoid implying an unconditional commitment irrespective of future demand volatility or exceptional circumstances.
- Reviewing the tone and framing of sections relating to equality, diversity, and reasonable adjustments, to ensure sensitive and accurate language that avoids unintended implications.
- Providing additional high-level clarity on the scope and value of the proposed consultancy support, explaining why this approach represented value for money compared with alternative delivery models.

9. The Board discussed the finalisation of the Budget Acceptance Criteria (BAC) and Scheme Transformation Review papers, supporting the overall direction of travel and the substance of the proposals, which had remained consistent with previous papers seen by the Board, and that the remaining actions related primarily to strengthening wording and clarity, particularly within the executive summary.

10. In terms of the next steps, the Board **agreed to conditional approval** of both the Budget Acceptance Criteria and the Scheme Transformation Review, **delegating authority** to the Executive to undertake final wordsmithing to address the feedback raised during discussion.

    ACTION: The Executive to update the Budget Acceptance Criteria and the Scheme Transformation Review documents to reflect the Board’s feedback on strengthening the wording and clarity.

11. The Executive **confirmed** that revised papers would be finalised in time for submission to the Legal Services Board (LSB) and the Ministry of Justice (MoJ) in the week commencing 2 March, with Board members sighted on the final versions.

    ACTION: The Executive to submit the final documents to the Legal Services Board (LSB) and the Ministry of Justice (MoJ) in the week commencing 2 March, sighting Board members on the final versions.

12. The Executive would continue to engage with the LSB and MoJ to ensure that any queries were responded to following the submission of these documents. Any further material changes arising from regulator feedback would be communicated to the Board, as appropriate.

Item 3 – Redactions and Non-Disclosure Report.

13. The Board approved the items identified for redaction and non-disclosure in the February Board pack.

    ACTION: The Board Governance Manager to arrange for the February Board papers to be published in line with the redactions and non-disclosures approved by the Board.

14. The Board recorded its thanks to Elisabeth Davies for her valuable contribution during her tenure as Chair of the OLC Board and wished her well for the future.

The formal Board meeting closed at 10:45 and was followed by a Board workshop.