

OLC / LeO Budget Acceptance Criteria 2026 / 27

1. In accordance with Schedule 15 s23(3) of the Act, an indication of the amount and distribution of resources deployed in the operation of the ombudsman scheme and the amounts of income OLC expect to arise from the operation of the scheme. This should include a clear and plausible breakdown, explanation and justification of:
 - a. estimated staff costs and full-time equivalent numbers for 2026/27 broken down by function. This should outline the assumptions made for vacancies and for the pay award to staff in 2026/27.
 - b. estimated split of expenditure between:
 - i. handling complaints about legal services
 - ii. policy and impact work, in particular to analyse and feed back to the sector learnings from handling complaints
 - iii. anything else not covered by (i) and (ii).
 - c. A robust business case that clearly demonstrates the linkages between any additional resources sought to the expected benefits across operational performance (including staff morale), policy and impact, and other relevant activities, referencing relevant criteria below as required.
 - d. Confirmation that the OLC has submitted a medium-term financial plan that reflects these acceptance criteria to the Ministry of Justice, and that wider engagement with the Department has taken place consistent with the tripartite operating protocol.
2. Transparency about performance, this should include:
 - a. analysis of actual performance to date in 2025/26 in an updated full year forecast, with reference to the minimum delivery expectations in the 2024/25 budget application.
 - b. the forecast performance trajectory for 2026/27 and for a subsequent two-year period mapped against different budget scenarios (analysis by quarter).
 - c. an outline of assumptions underpinning the forecast performance trajectory including assumptions which have changed significantly from previous years. This should include an overview of demand forecasting for 2025/26, sensitivity analysis of key assumptions around income prediction, case complexity and other factors. This should include data on:

- i. the number of new cases in the current year to date
 - ii. an assessment of key external factors driving demand for 2025/26 and their likely impact.
 - d. a summary of key current and planned improvement initiatives and utilisation of approaches to achieve sustainable acceptable performance including specific actions and timeframe.
 - e. risks and how they are being managed and mitigated for:
 - i. the remainder of 2024/25
 - ii. 2025/26
 - f. contingency plans should the forecast performance trajectory not be met including how the organisation would respond in the event of significant demand increases.
3. Outline of progress plans and outcomes around LeO's learning and insight work and how its effectiveness is being measured including:
 - i. engagement and collaboration with regulators and the profession to achieve this strategic aim;
 - ii. LeO's support for the profession to improve their complaints handling, within the framework of LSB's guidance and regulations on first tier complaints handling;
 - iii. Sharing LeO's learning and insights to help improve legal services for consumers Increasing and deliver impact, including progress towards increased transparency of LeO's casework and ombudsman decisions.
 4. An explanation of how value for money will be delivered and measured in terms of economy, efficiency and effectiveness.
 5. An explanation of how the proposed budget would promote equality, diversity and inclusion for both colleagues and the Legal Ombudsman's customers. As part of this, details of any plans to measure for any disproportionality of complaint outcomes, particularly in light of the any changes to the Scheme Rules.
 6. A summary of where the budget and / or plans have changed in response to stakeholder responses to consultation and a summary of any responses to that consultation.

7. A summary of the governance processes involved in preparing the submission, including confirmation that the submission has the formal support of the OLC Board.