

Final budget acceptance criteria for 2019/20

1. Transparency about expected performance against the OLC's KPIs. This should include analysis of actual performance to date against KPIs in 2018/19 (separately for new casework and all casework including legacy), as well as the forecast performance trajectory for the 2019/20 financial year and beyond.
2. In accordance with the Act, an indication of the 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 breakdown of:
 - a. staff costs and numbers broken down by function – for instance: enquiries; investigations; ombudsman team; corporate, others
 - b. explain and justify assumptions around the volumes predicted for the year.
3. A summary of the key risks to delivering the Plan for 2019/20 and mitigation proposed, to include confirmation that sensitivity analysis of key assumptions has been carried out (although the full numerical details of the analysis are not required) around:
 - a. the volumes predicted. Please include information about how the organisation would respond (including in terms of its resourcing strategy in the climate of recruitment and spend controls) in the event of volume fluctuation;
 - b. any possible variation around the income prediction, for example (but not limited to) due to changes in volume (up or down), or if changes to the case fee structure are introduced in-year; and
 - c. the sensitivity analysis should demonstrate the impact of variations in anticipated levels of case complexity.
4. A summary of where the budget has changed in response to stakeholder responses to consultation. In particular, the submission should cover the outcome of discussions with MoJ and the extent to which the final budget takes account of MoJ's input
5. The approximate split of expenditure between:
 - a. handling complaints about legal services
 - b. work to analyse and feed back to the sector learnings from handling complaints – please explain and justify this figure
 - c. anything else not covered by (i) and (ii)
6. For 2019/20 in particular:
 - a. an estimate of the cost per case saving/the improvement in quality (as relevant) OLC expects to deliver as a result of Modernising LeO initiatives

- b. an explanation of case fee income and how case fees are set, including the status of the business plan commitment to review the impact of case fees as part of the planned review of scheme rules
- c. an update on the status of the transition of the CMC jurisdiction to the Financial Ombudsman Service, including any potential impacts on budget should the switchover happen after 1 April 2019. Please also provide commentary on any medium-term impacts on the budget for the legal jurisdiction that might result from the removal of the CMC jurisdiction.