

**Minutes of the Board Open Session meeting held on 19 March 2026 at
Citygate, Manchester**

CHAIR

Paula Sussex, Ombudsman

NON-EXECUTIVE MEMBERS

Polly Curtis, Senior Independent Member

John Ainsworth

Anne Davies

Michael Parsons

Dave Thompson

EXECUTIVE MEMBERS

Rebecca Hilsenrath, Chief Executive Officer

Karl Banister, Director, Operations, Legal and Clinical

APOLOGIES

Amerdeep Clarke, *ex officio* Member

Anu Singh

IN ATTENDANCE

Scott Stevenson, Director of Strategy and Resources

Maria Mansfeld, Deputy Director of Strategy and Chief of Staff

Barry Topham, Chief Digital and Transformation Officer

Roz Pedersen, Assistant Director, Finance

Laura Pardoe, Assistant Director, Strategy, Policy and Stakeholder engagement (Item 10)

Donna Linton, Governance and Risk Manager (minutes)

Rhiannon Thomas, Governance Officer

OBSERVERS - INTERNAL

Alejandra Reyes Salines, Business Support Officer

Adam Short, Improvement Officer

Sarah Wells, Operations Manager

5. Chair's Introduction and Welcome

- 5.1 The Chair welcomed members and attendees to the meeting.
- 5.2 The Chair identified the focus of the meeting as Item 10 - Corporate Strategy 2026-31, Business Plan, Budget 2026-2027 and PHSO Risk Appetite 2026-2027.

6. Declarations of Interest

- 6.1 Michael Parsons declared a potential conflict of interest arising from the extension of his term of office as a Non-Executive Director of the West Suffolk NHS Foundation Trust for a further 3-year period.
- 6.2 Polly Curtis declared a potential conflict of interest arising from her appointment to the oversight Board for the Government's new digital ID scheme.

7. Minutes and Matters Arising from the meetings on 11 December 2025 and 21 January 2026.

- 7.1 Members agreed the minutes as a true and accurate record.
- 7.2 Members noted that all matters arising were complete apart from 11.1.2 from 25 June 2025. The Chair agreed to keep this action open and revisit once the information was available.

STRATEGY

8. Ombudsman's Report

- 8.1 Members received a report from the Ombudsman.
- 8.2 The Ombudsman advised that the past three months had again involved a range of engagement with Parliamentarians, Ministers, complainants and other Ombudsman offices with time also spent visiting NHS Trusts. The Ombudsman had also met directly with complainants, gaining first hand insight about the value of complaints and impact of failing public services.
- 8.3 The Ombudsman reported over this period she had been focused on two key themes drawn from PHSO's predominantly health related complaints data, these related to patient voice/patient-clinician engagement and NHS strategic commissioning. The NHS commissioning policy objective would remain a key priority over the next quarter; she also updated that the National Audit Office (NAO) who were also interested in this issue.
- 8.4 The Ombudsman updated on engagement with the Department of Work and Pensions (DWP) and progress on the pension related complaints (WASPI, pension uplift and pension forecast). It was critical DWP engage with PHSO at the most senior level to evidence accountability and commitment to addressing the issues raised.
- 8.5 In February 2026, the Ombudsman had given evidence to the Public Administration and Constitutional Affairs Committee (PACAC) inquiry into propriety, ethics and the wider standards landscape in the UK and had used the

opportunity to emphasise the importance of implementing the Duty of Candour effectively under the forthcoming Public Office (Accountability) Bill.

- 8.6 Board members discussed the Duty of Candour (which would also apply to a wide range of organisations undertaking public sector work) and the penalties applicable under the Bill. Members expressed concerns about how the Duty of Candour would be framed and plans for implementation, including the progress made by the Ethics and Integrity Commission to develop a code of ethics. There is limited visibility and readiness for the change across departments and the wider public sector.
- 8.7 **Action: The Chair to provide an update on PHSO's position in relation to the Duty of Candour at the next Board meeting.**
- 8.8 Members were advised that the Ombudsman had been invited to speak at the Audit and Risk Assurance Chair's Forum bringing together ARAC chairs from ministerial departments, HMRC and the devolved administrations to look at complaint handling and the effective use of insight from complaints.
- 8.9 The Ombudsman reported that the Board member recruitment campaign had attracted a strong field of candidates and confirmed *[in confidence]* the three new Board members appointed, all of whom had significant and highly relevant experience to support our future ambitions. The Ombudsman looked forward to welcoming the new members to the Board. A press release confirming the appointments was planned for 1 April 2026.

9. Chief Executive's Report to the Board

- 9.1 Members received a report from the CEO outlining activity undertaken since the last Board meeting and received a verbal update on the key issues below.
- 9.2 The Executive Team had agreed to introduce a series of demand management measures to address the rising demand for PHSO's services, some of which would be implemented over the short term, with others taking longer to operationalise. The Executive Team were receiving weekly verbal updates on progress in this respect. Given the anticipated demand trajectory, it was likely a gap would remain between the queue and frictional levels, even once all the demand management measures had been implemented.
- 9.3 The CEO updated on ongoing engagement work with the justice sector to develop an approach whereby successful DWP benefit tribunal appeal cases could be directed to PHSO, to consider whether these raised systemic issues suitable for further investigation. The alternative legal remedy provision would not prevent a complaint being investigated where the remedy sought was service improvement. The proposal had been agreed by the President of the Social Entitlement Chamber and by the Senior Tribunal President and would require modification to HMTCS's digital system which would now be explored.

10. Corporate Strategy 2026-27, Business Plan and Budget 2026-2027

10.1 Corporate Strategy 2026-2031

- 10.1.1 Members received a paper from the Director of Strategy and Resources (DoSR) which provided an update on the revisions to the 2026-2031 corporate strategy detailed at Annex A of the report. Approval for publication was sought.
- 10.1.2 DoSR advised that that since the last Board meeting in December, further work had been undertaken to incorporate comments and to work closely with the Executive Team on refining the narrative and details of the objectives, outcomes and enablers.
- 10.1.3 The Business Plan 2026-2027 is directly aligned with the strategy. The Impact Measurement Framework will track short, medium and long-term outcomes, recognising both direct results and indirect contributions. The aims and objectives of the strategy will be embedded across the organisation and externally. They will be used as a foundation for policy positions, external messaging and how we engage with partners and stakeholders.
- 10.1.4 Members made the following points in discussion relating to the corporate strategy:
- Board members welcomed the strategy, noting on the positive framing of the narrative and the transparency of the process, and the depth of the document.
 - Board members requested further information on policy objectives and how these would be used in practice.
 - Board members noted that the document was strong on compliance with recommendations.
 - Board members supported the publication of the strategy.
- 10.1.5 In response, the DoSR noted that that the end goal is systemic improvement. Although the theory of change is still developing, substantial work is underway to demonstrate the organisation's role, and a more articulated theory will emerge as the work progresses.
- 10.1.6 The Board acknowledged the impacts of the shift, including the immediate pressures of demand on the service, and the anticipated change over time to investigate fewer complaints as a percentage of the increasing number of complaints referred to PHSO, to maximise the focus of public value and delivering greater system-level impact.
- 10.1.7 The strategy will be published on 21 April 2026, and a small launch event will be held on this date at Millbank with a select number of key stakeholders and partners that will support the implementation of the strategy.

Board **approved** the corporate strategy as detailed at Annex A of the report.

Board **endorsed** the overall strategic direction and level of ambition set out in the strategy, including the deliberate shift towards greater systemic and preventative impact alongside continued delivery of individual redress.

Board **endorsed** the move to a clearer organisational focus based on:-

- A framework containing a small number of enduring policy objectives including service design, communication, compliant handling and learning from complaints.
- The limited systemic themes to target measurements improvements (starting with NHS Strategic Commissioning).

10.2 Business Plan 2026-2027

10.2.1 Members received a paper from the Director of Strategy and Resources (DoSR) which presented the external Business Plan for 2026-2027 as detailed at Annex A of the report for approval. The Plan set out how Year 1 delivery fits within the context of the five-year strategy and sustained pressures.

10.2.2 DoSR highlighted the priorities where the organisation will focus its efforts in Year 1. These activities are designed to put the organisation on a stronger footing for delivering the longer-term outcomes while starting to deliver in a more strategic and systemic way.

10.2.3 The Strategic Delivery Committee had reviewed the plan, and colleagues were grateful for the Committee's input in finalising the plan. The Committee also encouraged thinking beyond Year 1, and to consider how the plan will deliver over the longer term and the need to build in horizon planning to assist in delivering the strategy.

10.2.4 A Board member queried whether the organisation was attempting too much in Year 1 given the scale of activity and the rising demand. The question was raised as to whether all years should be mapped to provide clearer phasing.

10.2.5 In response, the CEO confirmed that there was a need to consider capacity constraints and the Transformation team were in the process of undertaking this piece of work. The staff perspective is that the organisation does not manage change well and this should be factored into planning for Year 1. In future years there will be a need to make difficult choices to manage the changes the organisation is facing, such as the rise in demand. Therefore, activity must be phased in a way which is achievable going forward.

The Board **approved** the Business Plan for 2026-2027 as detailed in Annex A of the report.

10.2 Proposed Resource and Capital Budgets 2026-2027

10.3.1 Members received a presentation from the Assistant Director, Finance which set out the proposed resources and capital budgets for 2026-2027, which had been

developed to support both the ongoing delivery of the Service, and the investment needed to enable delivery of the first year of the five-year strategy.

- 10.3.2 The Assistant Director, Finance reported the budget for the coming year is fully programmed, excluding any additional funding for demand management activity. Since the preparation of the report an additional £1.8m resource budget request has been submitted via the Mains Estimate to support the recruitment of additional caseworkers and associated costs, in order to reduce the queue to frictional levels (subject to demand not increasing at a level above forecast).
- 10.3.3 The Chair of ARAC advised that he had recently met with the CEO and Assistant Director, Finance to discuss in detail the proposed resource and capital budgets for 2026-27. He confirmed that he felt assured about the proposed approach. ARAC would undertake a detailed review of the financial position in Quarter 2.

The Board **approved** the resource and capital budget for 2026-27

10.4 **PHSO Risk Appetite 2026 - 27**

- 10.4.1 The Deputy Director for Strategy and Chief of Staff asked Board members to participate in an interactive session to consider the Risk Appetite for 2026-2027. Board members were presented with three strategic pillars and asked to consider the appropriate risk appetite against the risk tolerance scale for each providing reasoning for their response.
- 10.4.2 The following three strategic pillars were considered and agreed outcome are outlined below:-
- Impact: Outcome Hungry, we should be willing to move quickly and task significant delivery risk where the potential exists to substantially increase our impact on the public.
 - Awareness: Outcome Open, we should proactively raise awareness of our role and impact, even if this increases public scrutiny and demand.
 - Experience: Outcome Open, we should pursue ambitious improvements to the user experience, including adapting new digital approaches where this benefits users.

The Board **agreed** the Risk Appetite for 2026-2027.

11. **RISK**

11.1 **Strategic Risk Report and Register 2025-2026 (P10)**

- 11.1.1 Members received a report from the Deputy Director of Strategy and Chief of Staff including the Strategic Risk Register and Corporate Issues Log. These had been scrutinised by the Audit and Risk Assurance Committee (ARAC) on 11 February 2026.

- 11.1.2 The Board noted that the risk environment had evolved, and some risk scores had changed to reflect this. The demand risk (SE2) had increased in score to the maximum level in recognition of the continued high demand. The risk to motivation and morale (SR4) and complaint decision or service impact (SR6) had both lowered in score to reflect a more positive understanding of risk.
- 11.1.3 The Chair of SDC advised that he had recently met with the Chair of ARAC to discuss the work across the committees. Part of the conversation related to potential introducing an AI related risk and how this could affect the organisation in the future, given how prominent this topic had become across the sector.
- 11.1.4 The Chief Digital and Transformation Officer confirmed that key AI related issues would be captured and addressed as part of the wider transformation programme.

The Board **noted** the updated Strategic Risk Register.

12. STRATEGY

12.1 Demand Response

- 12.1.1 The Board received a slide deck presented by the Director of Operations, Legal and Clinical (DoLC), which provided an update on our response to increased demand.
- 12.1.2 Board members made the following points in discussion relating to the demand response:-
- Board members noted the speed at which the organisation approached the Treasury for additional funds to manage rising demand.
 - Board members welcomed the Executive Team's approach to managing demand and the adjustments to the PVM that were being operationalised and how this was in line with public expectations.
- 12.1.3 In response to the query about transparency, DoLC advised that, once the changes to the PVM had been implemented, information on how the PVM worked and expected timelines would be made available on the website to enable user expectations to be managed accordingly. At the last meeting of the Board there was a discussion about how AI was being used throughout the sector to generate complaints.

The Board **noted** the update.

13. PERFORMANCE

13.1 Business Plan and Strategy Delivery Report 2025 - 26 (Period 10)

The Board **noted** the report, with no comments.

13.2 Operations and Corporate Performance Report, October 2025/26 (Period 10)

The Board **noted** the report, with no comments.

13.3 Financial Position 2025/26 - January 2026 (Period 10)

The Board noted the report, with no comments.

14. PEOPLE, EQUALITY, DIVERSITY AND INCLUSION**14.1 People Update**

14.1.1 Members received a report presented by the DoRS which provided a progress update on the workforce plan and the development of organisational skills and capabilities.

14.1.2 The DoRS reported that we now had a baseline position on capabilities within the organisation that was being tested. The development of some capabilities and skills was more urgent than that of others. A draft workforce and skills plan was due to be considered by the Executive Team in March 2026. The plan would identify gaps against the new strategy and would set out how these would be addressed, alongside tangible progress in addressing priority skills requirements, including systemic and data science capability.

14.1.3 Members made the following points in discussion relating to the presentation, which included:

- Board members welcomed the workforce planning and skills plan and felt it was perfect timing to align with the new strategy.
- A Board member sought clarity on how the emerging demand will be met through the new systemic capacity and how the skills for this approach would be built into the workforce and skills plan.
- A Board member queried if additional funding was secured from Treasury, how would this funding be allocated

14.1.4 In response to the queries, the CEO advised that PHSO would need to continue to hire and train people as we move forward. This would require looking carefully at talent available both internally and externally. It was likely that we would need to bring in additional resource to ensure we have the correct skills and capacity to deliver the work effectively. This work would be led by the Assistant Director, People and Talent.

14.1.5 Further updates on workforce planning, skills development and the staff survey outcomes would be provided at the next Board meeting.

The Board noted the report.

GOVERNANCE**15. Committee Updates****15.1 Audit and Risk Assurance Committee (ARAC)**

15.1.1 Members noted an update from the Committee Chair from the meeting held on 11 February 2026 and noted the report.

15.2 Strategic Delivery Committee (SDC)

- 15.2.1 Members noted an update from the Committee Chair, from the meeting held on 4 March 2026 and noted the report.

16. New Board Operating Model

- 16.1 The Board received a slide deck presented by the Deputy Director of Strategy and Chief of Staff, which presented the proposed changes to the Board operating model.

- 16.1.1 Board members welcomed the approach and agreed that the new way of working would be kept under review.

The Board **approved** the new Board Operating Model.

17. Board Effectiveness Review 2025-26

- 17.1 The Board received a paper from the Deputy Director of Strategy and Chief of Staff, which presented the proposed approach to the Board.

The Board **supported** the proposed approach.

18. The Ombudsman's Annual Report and Accounts 2025-2026

- 18.1 This item was taken as read.

- 18.2 The Chair advised that in addition to the Annual Report and Accounts 2025-2026 a commentary report providing further information would be available mid-year.

OTHER BUSINESS**19. Forward Plan and Date of Next Meeting**

- 19.1 The Board **noted** the updated Forward Plan and date of the next Board meeting on 17 June 2026 at Millbank Tower, London.

20. Any Other Business

- 20.1 The Ombudsman advised that this would be the last Board meeting for Board Members John Ainsworth and Anu Singh as their terms of office was due to end on 4 May and 12 April 2026, respectively. The Ombudsman on behalf of the Board took the opportunity to thank John and Anu for all their hard work, commitment and contribution to the Board over their tenures and wished them all the best for the future.

Meeting ended at 3.00pm