

Agenda – Finance Committee

Meeting Venue: Hybrid – Committee
room 3, Senedd and video conference
via Zoom

For further information contact:

Owain Roberts

Committee Clerk

Meeting date: 16 October 2024

0300 200 6388

Meeting time: 09.30

SeneddFinance@senedd.wales

Registration

(09.00–09.15)

Private pre-meeting

(09.15–09.30)

1 Introductions, apologies, substitutions and declarations of interest

(09.30)

2 Paper(s) to note

(09.30)

2.1 PTN 1 – Letter from the First Minister to the Chair of the Legislation, Justice and Constitution Committee: Inter-Institutional Relations Agreement: Forthcoming Intergovernmental Meetings – 10 October 2024

(Page 1)

3 Public Services Ombudsman for Wales (PSOW) – Scrutiny of Annual Report and Accounts 2023–24, and Estimate 2025–26: Evidence session

(09.30–11.00)

(Pages 2 – 196)

Michelle Morris, Public Services Ombudsman for Wales

Chris Vinestock, Chief Operating Officer and Director of Improvement

Katrin Shaw, Chief Legal Adviser and Director of Investigations

Supporting documents:



FIN(6)-21-24 P1 – Public Services Ombudsman for Wales: Annual Report and Accounts 2023-24

FIN(6)-21-24 P2 – Public Services Ombudsman for Wales Estimate for the Financial Year 2025-26

Senedd Research Brief

4 Motion under Standing Order 17.42 (ix) to resolve to exclude the public from the remainder of this meeting.

(11.00)

5 Public Services Ombudsman for Wales (PSOW) – Scrutiny of Annual Report and Accounts 2023-24, and Estimate 2025-26:

Consideration of evidence

(11.00-11.15)

6 Scrutiny of the Senedd Commission Draft Budget 2025-26:

Consideration of draft report

(11.15-11.30)

(Pages 197 – 239)

Supporting documents:

FIN(6)-21-24 P3 Draft report

7 Welsh Government First Supplementary Budget 2024-25:

Consideration of draft report

(11.30-11.45)

Supporting documents:

FIN(6)-21-24 P4 – Draft report (To be included in a supplementary pack)



Mike Hedges MS
Chair
Legislation, Justice and Constitution Committee
Senedd Cymru

SeneddLJC@senedd.wales

10 October 2024

Inter-Institutional Relations Agreement: Forthcoming Intergovernmental Meetings

I am writing in accordance with the Inter-Institutional Relations Agreement to notify you of the inaugural meeting of the Council of the Nations and Regions, which will take place in Scotland on 11 October. I will attend in person. The focus of the meeting will be on maximising opportunities to deliver investment and growth across the UK.

On the same day, I anticipate involvement in a further meeting between the Prime Minister, the First Minister of Scotland and the First Minister and deputy First Minister of Northern Ireland, as well as a short bilateral meeting with the Prime Minister.

I will provide an update after the meeting.

I am copying this letter to Huw Irranca-Davies MS, Deputy First Minister and Cabinet Secretary for Climate Change and Rural Affairs; Rebecca Evans MS, Cabinet Secretary for Economy, Energy and Planning; Julie James MS, Counsel General and Minister for Delivery; the Rt Hon Elin Jones MS, the Llywydd; the Finance Committee; and the Economy, Trade and Rural Affairs Committee.

Yours sincerely

Eluned Morgan

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

Agenda Item 3



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A New Chapter Unfolds

Annual Report and Accounts 2023/24

July 2024



We can provide a summary of this document in accessible formats, including Braille, large print and Easy Read. To request, please contact us:

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Mae'r ddogfen hon hefyd ar gael yn y Gymraeg.

This document is also available in Welsh.



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A New Chapter Unfolds

Annual Report and Accounts

**of the Public Services Ombudsman for Wales
for the year ended 31 March 2024**

Laid before the Welsh Parliament under paragraphs 15, 17 and 18 of Schedule 1 of the Public Services Ombudsman (Wales) Act 2019.

Contents

6	Foreword
8	About us
9	Key statistics
11	Strategic Aim 1: Delivering justice
37	Strategic Aim 2: Increasing accessibility and inclusion
42	Strategic Aim 3: Increasing the impact of our proactive improvement work
52	Strategic Aim 4: Ensuring that we are a healthy, efficient and accountable organisation
61	Accountability report
97	Annual accounts 2023/24
122	Appendices
123	Some terms that we use in this report
124	The complaint journey
128	Our Key Performance Indicators
131	Complaints data

Foreword

A new chapter unfolds

This will be the first Annual Report I have produced since I published my first Strategic Plan last year. '[Strategic Plan 2023-2026 A new chapter](#)' sets out the vision for our work to have a positive impact on people and public services in Wales. I am pleased to see, from the evidence we have gathered for this Annual Report, that we have started to make good progress towards achieving this ambition.

In the last year, we saw another record increase in the number of people contacting us with concerns and complaints about public services and the behaviour of local councillors. Our caseload has increased by a staggering 37% since 2019. This year alone we handled over 10,000 cases, closing more than we ever have done before, and reducing the costs for each case and investigation. This is the most efficient we have ever been.

We started the year with a focus on reducing our aging cases, those over 12 months old, by 50% by the end of the year. These cases are often the

most complex and distressing for the people making the complaint. I am extremely pleased to say we exceeded this target, reducing our aged investigations by over 70%. We are now well on track to meeting our objective to reduce this proportion to zero by the end of March 2025.

Our investigation and support staff dug deep to meet this target. Our people are our most important asset and I have never been more proud of their commitment and hard work.

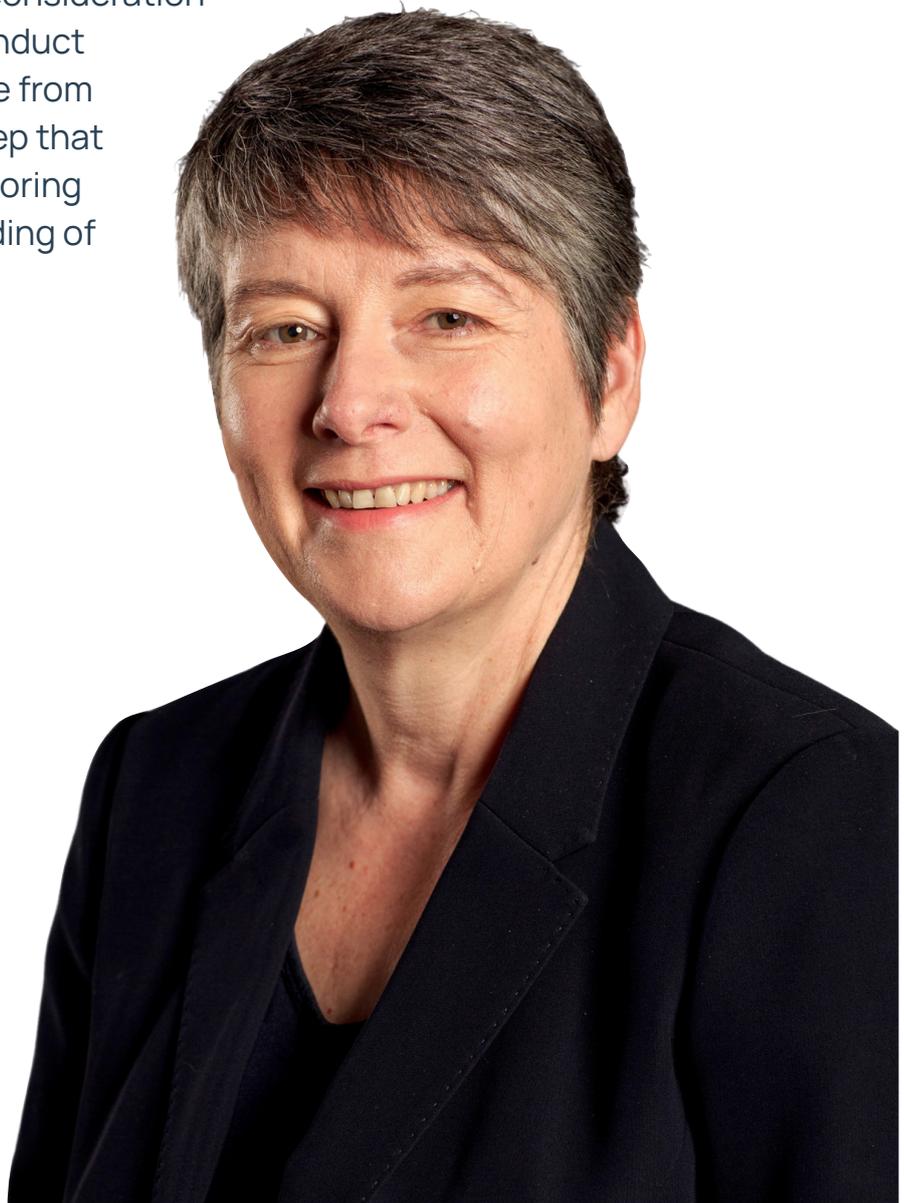
To have a meaningful and lasting impact, we have to make our services more accessible and inclusive for everyone. We have pro-actively engaged communities where we have low complaint numbers. Results from surveys show that there is greater awareness of our services with people from these communities. We now need to focus on growing the number of complaints from young people, people from diverse nationalities and people who face socio-economic hardship.

Research shows that people and public service providers believe we are independent and impartial and that we have a positive impact on improving public services in Wales. Regrettably, the actions of an individual, which fell far short of the standards of conduct we expect from our staff, prompted questions about our impartiality and marred what has been an extremely productive and positive year. We now must work hard to regain that trust. The current independent review, to determine whether our consideration of councillor Code of Conduct complaints has been free from political bias, is a vital step that moves us forward to restoring the reputation and standing of our Office.

Michelle Morris

Public Services
Ombudsman for Wales

July 2024



About ...

We have three main roles.



We investigate complaints about public services.

We can look at the services provided by devolved public bodies in Wales such as local councils, Health Boards, social landlords and others. We can also look at complaints about private social care and end-of-life care, as well as some private healthcare.

We consider complaints about councillors breaching the Code of Conduct.

We look at complaints about councillors at local councils, fire authorities, national park authorities. We also look at complaints about police and crime panels. We are also a “prescribed person” under the Public Interest Disclosure Act for raising whistleblowing concerns about breaches of the Code of Conduct by members of local authorities.



We drive systemic improvement of public services and standards of conduct in local government in Wales.

We can investigate on our own initiative, even if we have not received a complaint. We can also set complaints standards for public bodies in Wales, monitor how they handle complaints and provide training to them.



Key statistics

We received **17%** more enquiries and complaints.



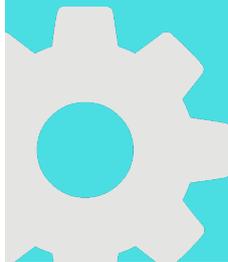
49% of the public are aware of our service, an increase on last year.



We closed **6%** more complaints.



We intervened in **20%** of the complaints we investigated.



67% of our recommendations to public bodies were complied with in time.



55% of Code of Conduct complaints about promotion of equality and respect.

100% of our wider and extended Own Initiative recommendations were complied with.



4:

the average number of weeks we took to assess a complaint



8 Public Interest Reports issued



64:

the average number of weeks we took to investigate a complaint



Only **40%** of complainants were satisfied with our service, but this rose to **98%** when they were satisfied with the outcome.



93% of complaint reviews found that our original decision was appropriate.



83% of complainants found it easy to contact us



7.7 = average days our staff were sick and off work, a reduction on last year



6% of the complaints made to public bodies who operate our complaints standards policy were escalated to us



75% of our staff agree that we are a good place to work



85% of Code of Conduct breaches that we referred were upheld by Standards Committees or the Adjudication Panel for Wales



£432 average cost per case for total casework closure, a reduction on last year



62,630kg CO₂e, reducing our carbon footprint

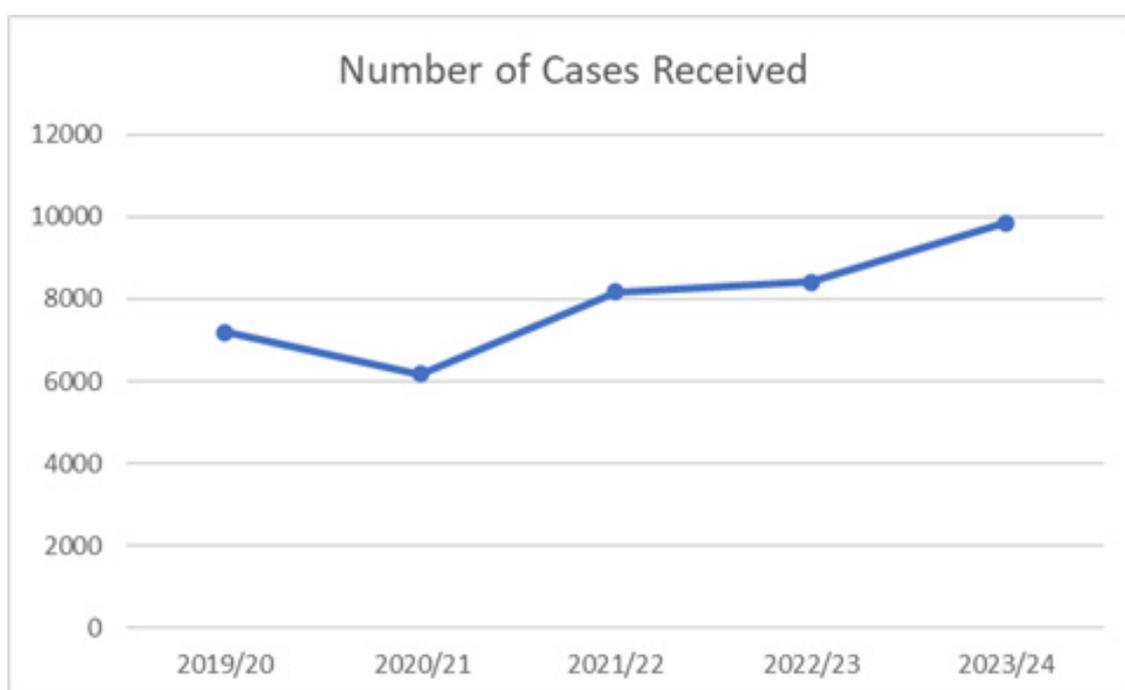
Strategic Aim 1: Delivering justice

Introduction

More people are contacting us than ever before.

9,863

We **received** 9,863 cases¹ (enquiries, pre-assessments and complaints about public services and Code of Conduct), up by 17% from the previous year's total of 8419. This continues an upward trend of our caseload, which has increased by 37% since 2019/20.

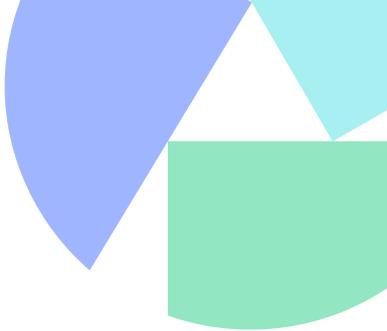


6,630

We received 6,630 enquiries and Code of Conduct pre-assessments. These are cases that we cannot look into because the issue or the organisation is not one we can investigate, or because we do not have enough information about the concern.

¹ In the Appendix we explain in more detail some terms that we use to describe our cases





3,233 of these were complaints about public services and the Code of Conduct; **5%** more than we received last year:

2,905 public service complaints, up by **4%**

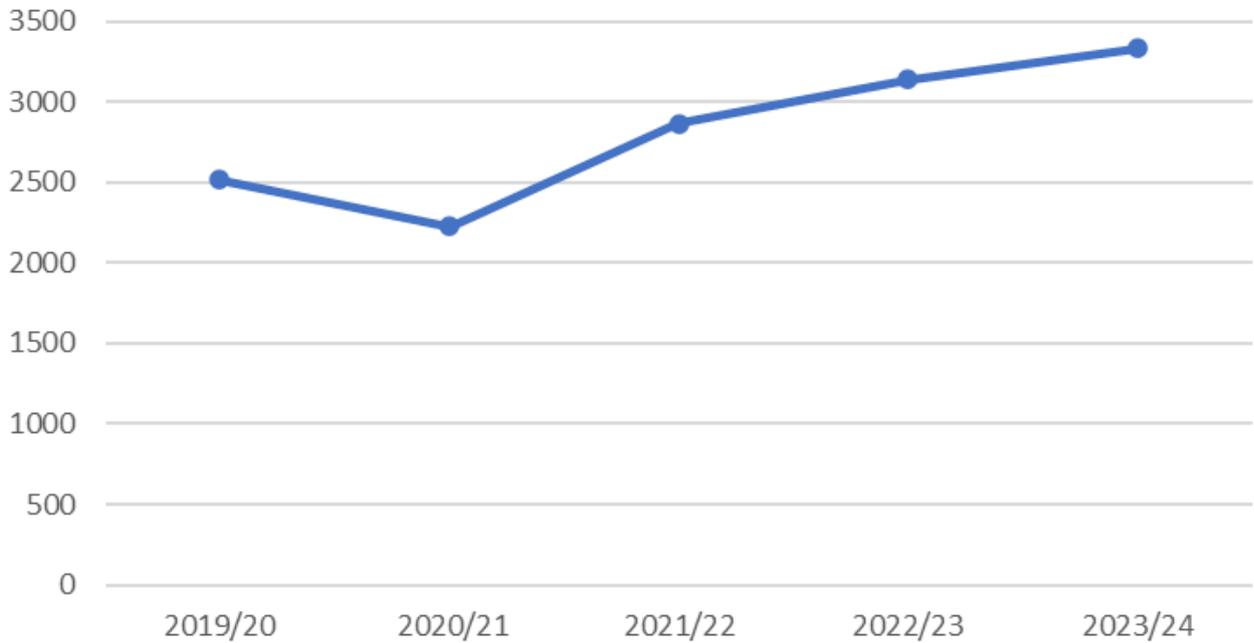
328 Code of Conduct complaints, up by **16%**

We had 553 complaints that we did not close and were brought forward from the previous year. In total, we handled over 10,000 cases during the year; the highest we have ever handled.

We also **closed** the highest number of cases: 9,771, up by 15% from last year. Most of these are enquiries or complaints closed after we make an initial check and we offer advice or point complainants to another organisation for help.



Complaints Closed



3,331

We **closed** 3,331 complaints about public services or the Code of Conduct; a 6% increase on last year and a 24% increase since 2019/20:



3,020
(+6%) public service
complaints

311
(+11%) Code of
Conduct
complaints

We have reduced the number of cases that are open at the end of the year to **481** cases that we have not yet closed.

We reduced our aged investigation² cases by over **70%**.

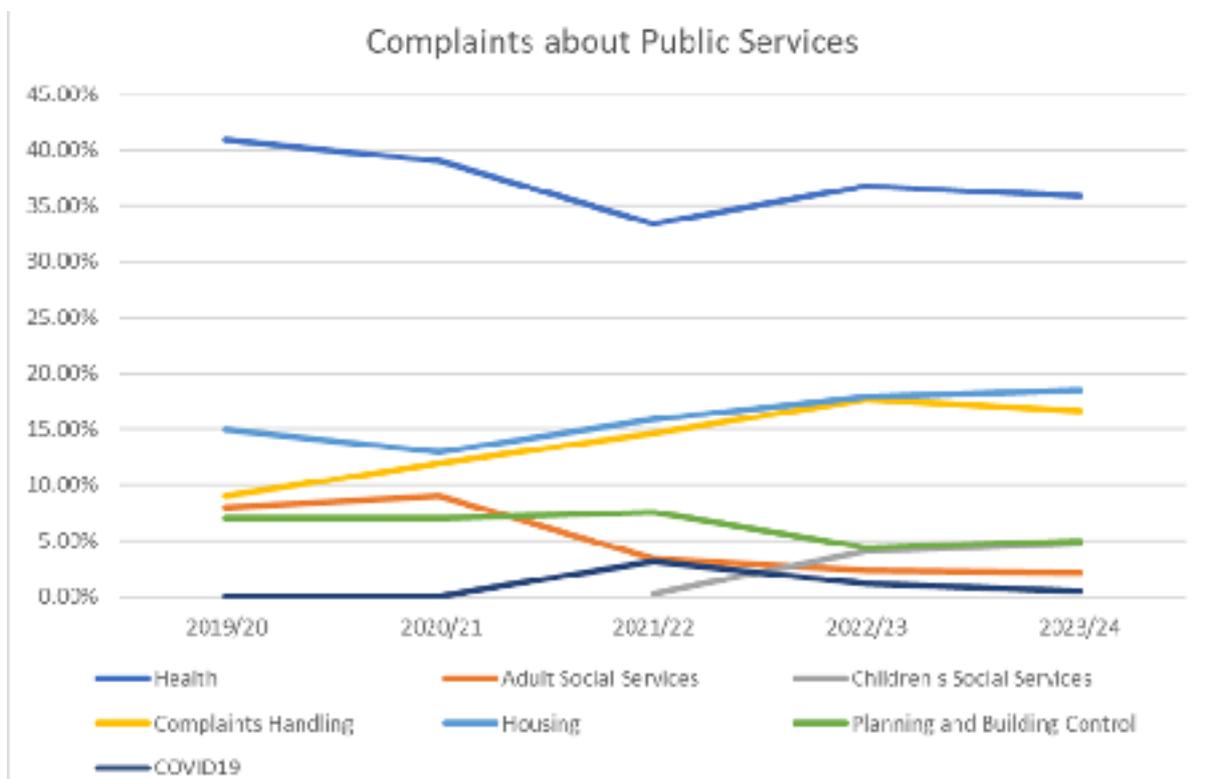
² An aged case is a complaint we have been investigating for more than 12 months



Our complaints about public services

New complaints about public services

We received more complaints about public services than ever before. However, we are seeing proportionately fewer complaints about health and complaints handling.



Complaints about health remain the most common subject of our complaints overall. Although the total number of health complaints has risen, their proportion relative to the total number of complaints we received is decreasing.

Clinical treatment in hospital remains the category with the highest number, making up **44%** of all health complaints.



Complaints about GP treatment make up 16%.



Despite making up most of our health complaints, we have seen a reduction in the numbers we received about both these services from last year.



There has been an increase in complaints about adult and children's mental health services and appointment procedures, primarily in Health Boards.



We have worked with Housing Associations in improving the ways they signpost to us in our role as Complaints Standards Authority for Wales. As a result, housing complaints have increased rapidly over the past five years, although the rate has slowed in the last year.



Complaints about Adult Social Services have seen a decline over a five-year period. However, complaints about Children's Social Services have started increasing over the past three years.



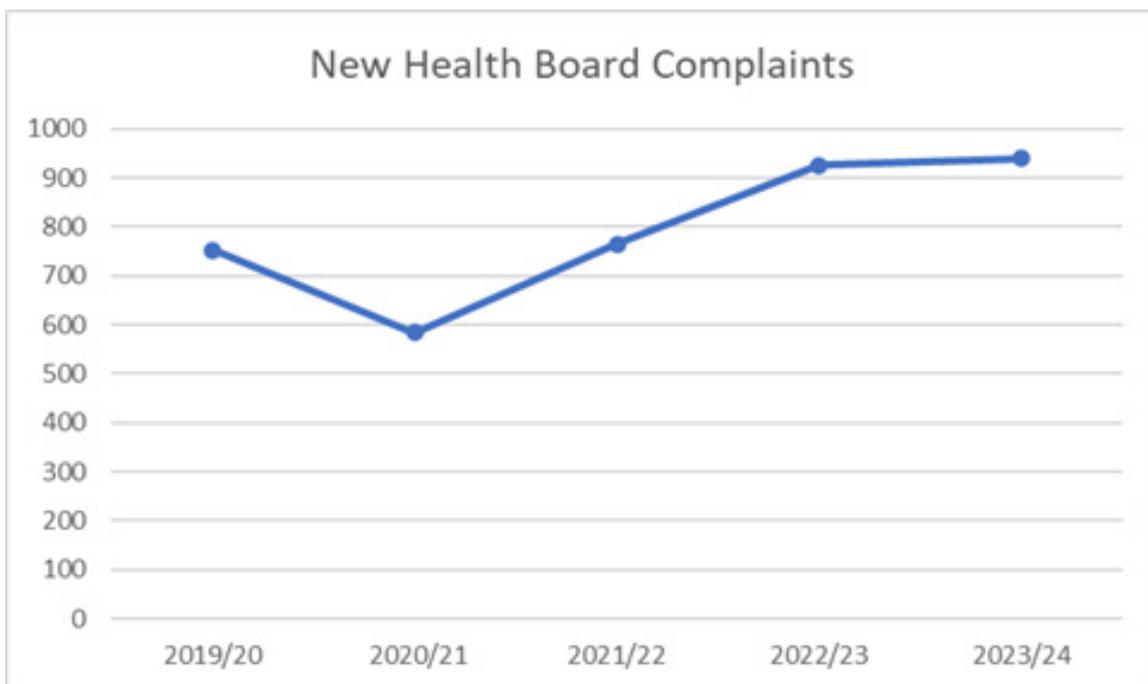
We received fewer complaints about complaint handling this year, following several years on the rise. This may be because of the work public bodies have put into action after attending our complaints standards training, but it is too early to say definitively if this is the case.

Health Boards



We received **939** complaints about Health Boards. This is a **31%** increase in complaints over the past 5 years. However, the 1% rise on the previous year, suggests the rate of increase in Health Board complaints has slowed down.

We still received more complaints about Betsi Cadwaladr University Health Board than any other Health Board, despite a small decrease in the overall number. However, when we consider the population figures for each Health Board, Hywel Dda University Health Board had the most complaints per 1000 residents³.



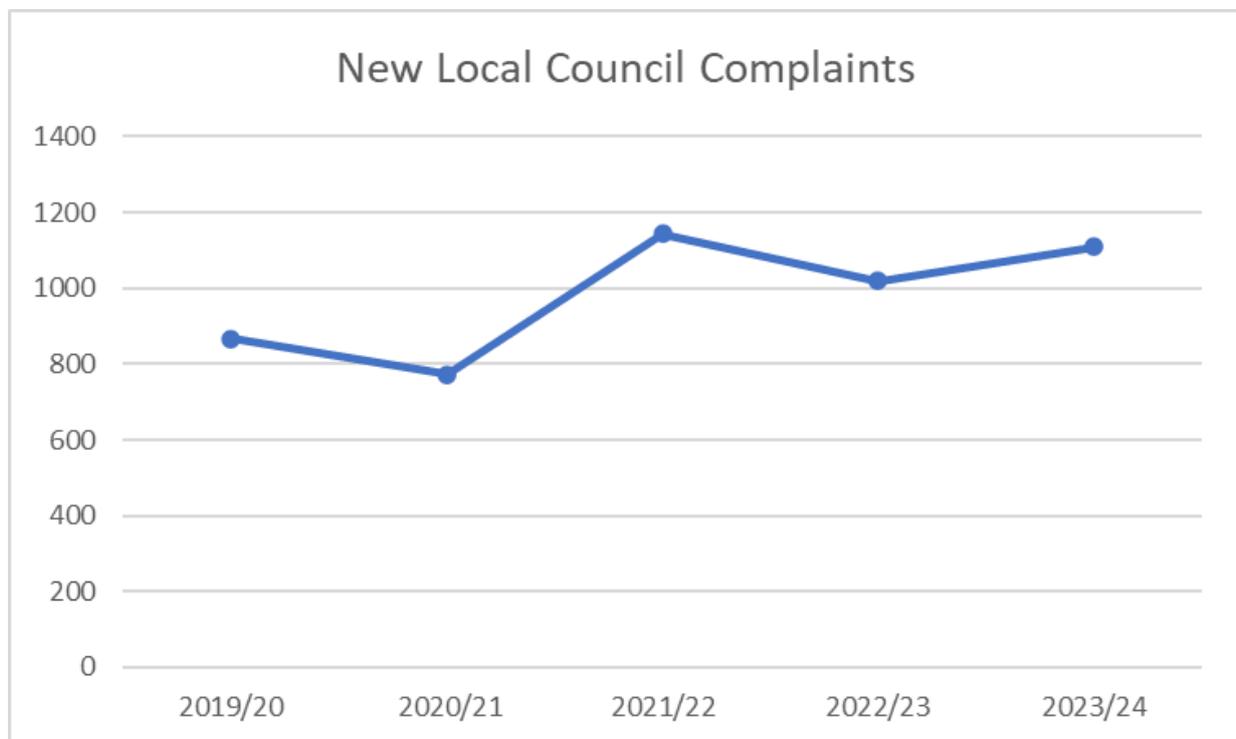
³ Population estimates by local health boards and age (gov.wales): <https://statswales.gov.wales/Catalogue/Population-and-Migration/Population/Estimates/Local-Health-Boards/populationestimates-by-lhb-age>



Local councils



People made **1,110** complaints about local councils, an increase of **9%** on the previous year and a **28%** increase over the last five years. Unsurprisingly, the councils with the largest number of residents generate the highest number of complaints. The council with the highest proportion of complaints per head of population was the Vale of Glamorgan⁴.



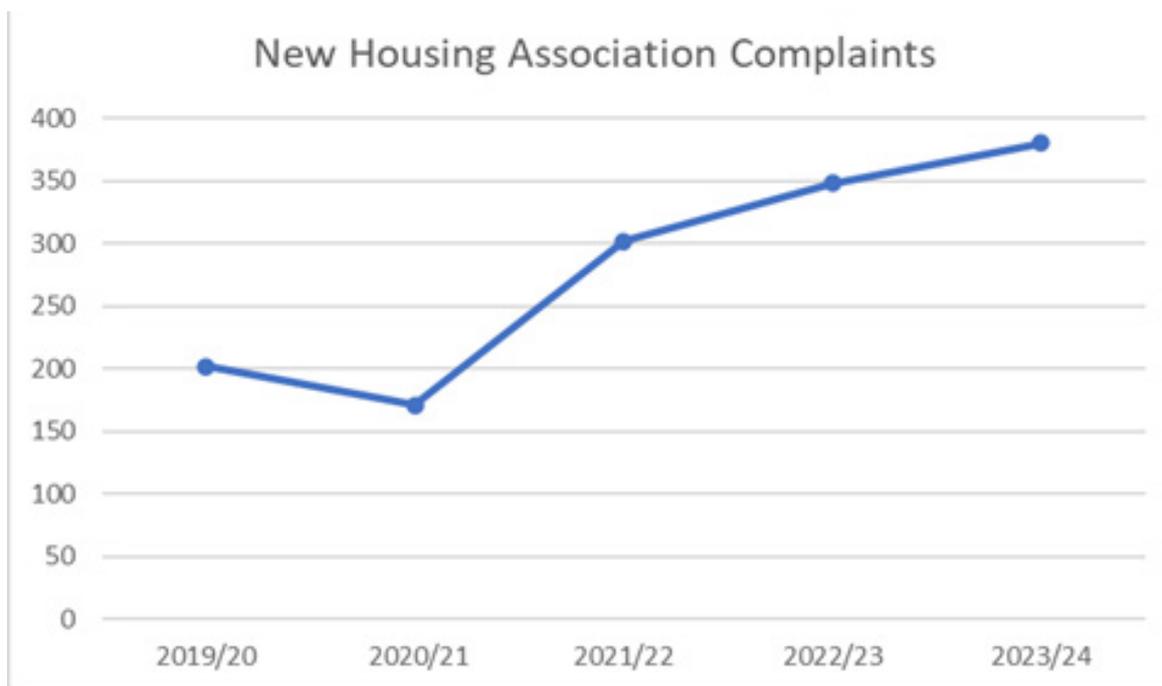
⁴ Population estimates by local authority and year (gov.wales): <https://statswales.gov.wales/Catalogue/Population-and-Migration/Population/Estimates/Local-Authority/populationestimates-by-localauthority-year>



Housing Associations



We received **380** complaints about Housing Associations. This is a **9%** increase from the previous year and a **47%** increase from 2019/2020. Repairs and maintenance still make up nearly half of the complaints we receive about Housing Associations, remaining at 48% for a second year.



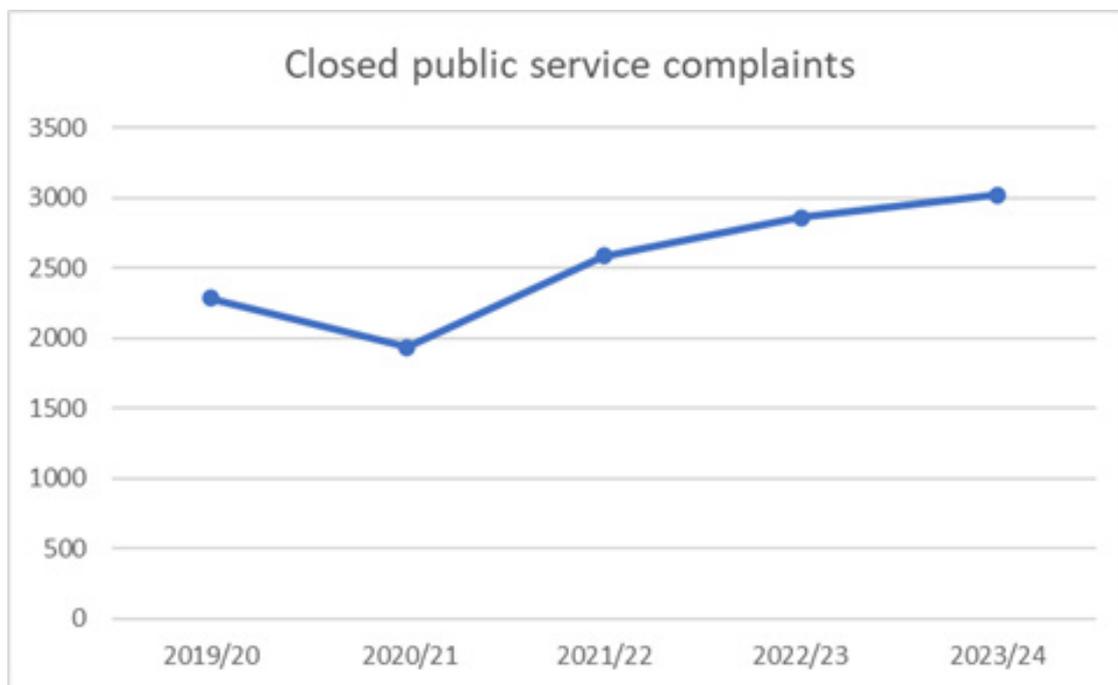
Closed complaints about public services

By tracking how many complaints we close, we can better understand our efficiency in handling cases. We once again closed a record number of complaints this year, closing 6% more, despite the increase in the number of cases received.

We know that people who complain to us often need urgent help. Our staff have worked hard this year to address complaints, to intervene quickly and minimise delays. Closing additional complaints means we were able to put things right for even more people this year.



Overall, we intervened in **596** or **20%** of the complaints that we closed. The proportion of our interventions was only slightly higher than last year (19%). However, because we increased the number of the complaints that we closed this year, we were able to put things right for many more people.



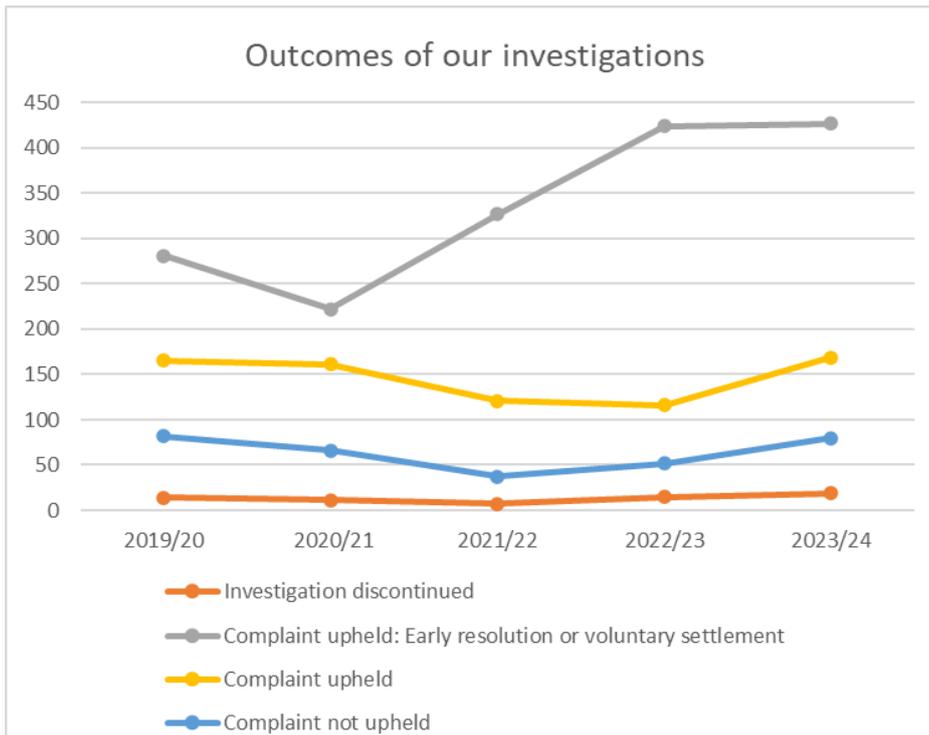
What is an intervention *i*

Intervention means that we found that the body made a mistake and it needs to put things right.

We can intervene without investigating or by suggesting an Early Resolution. We can also intervene after we investigated - by publishing a report which upholds a complaint, or by suggesting a settlement between the body and the person complaining.

In general, we would want our intervention rate to be low.

We understand that many people who complain to us want a swift resolution, as investigations can take significant time; they also use significant resources for us. Our goal is to close complaints promptly. This year, we achieved timely closures on 72% of our complaints when we agreed an Early Resolution or voluntary settlement without conducting full investigations to resolve cases.



Despite our increased workload, we exceeded our target of reducing our aged investigation (those over 12 months) cases by **50%**. We managed to reduce our aged investigations by over 70%.

We have also reduced the cost for each case and investigation we handle to the lowest cost to date.

How quickly we consider complaints

We understand that the people who come to us want their complaints resolved as rapidly as possible, and we are committed to dealing with them in a timely manner. We are pleased that we assessed incoming complaints or intervened with an Early Resolution, within 4 weeks; well within our target of 6 weeks.

The increasing number of investigations we carried out last year and the fact that many of these cases were aged cases, impacted our investigation time targets. Investigations took, overall, 15% longer than we had hoped for.

However, as we closed over 70% of our aged investigation cases, this has had the effect of reducing our individual Investigation Officers' case holdings to more manageable levels. This has placed us in a good position from which we can aim to improve the timeliness of our investigations during 2024/25.

Detailed performance information against our targets can be found in the Appendix.



3,020 We closed 3,020 complaints about public services – 6% more than last year.

Assessing complaints

2,739
(+3%)

We closed 2,739 complaints after we assessed them, 3% more than last year.

We look at all complaints carefully, to decide if we should investigate and whether things need to be put right.

There are many cases that we cannot - or decide not to - take further action on, or we may intervene by resolving the complaint early. However, assessing all these cases requires a lot of detailed work from our staff.

We closed **2,323** complaints at assessment because we did not have the powers to investigate them further, or they had come to us prematurely.

We closed **416** complaints by intervening early, a small increase on last year (1%) but a 52% increase since 2019/20.

Investigating complaints

281
(+38%)

We closed 281 complaints after we had investigated them, 38% more than year.

We only investigate in more complex cases that we cannot resolve in any other way. Most of our investigations related to health.

With our caseload increasing year on year, it is even more important that we investigate only when there is no other way for us to deliver justice.

99: We did not uphold the complaint, or we discontinued the investigation.

182: We upheld the complaint or agreed a voluntary settlement.

Health Boards



We intervened this year in **31%** of the complaints about the Health Boards that we closed – slightly higher than in the previous two years (30%).

The Health Board with the highest intervention rate was Aneurin Bevan University Health Board at **37%**, while we saw the lowest rate of intervention for Powys Teaching Health Board at **14%**.

Local councils



We intervened this year in **15%** of complaints about local councils. This was slightly higher than last year (14%).

The council with the highest intervention rate was Isle of Anglesey, at **24%**. We did not intervene in any complaints about Conwy County Borough Council.

Housing Associations



We intervened this year in **10%** of complaints about Housing Associations – compared to **13%** last year.

For many Housing Associations, we only investigate a small number of complaints, if any at all, and all our interventions were resolved early, at the assessment phase.

We include details of our performance against our targets in the Appendix.



Recommendations

When we find that something has gone wrong with public services, we recommend that the body that provided those services puts things right.

In 2023/24, we issued 1,679 recommendations to public service providers – a 33% increase compared to the previous year, because of the increase in complaints we have received and closed.

As in previous years, we most commonly recommended that the organisation should apologise – with this type of action making up almost a third of our recommendations.

Whilst it is not our primary remedy, we sometimes recommend financial redress – for example, for the complainant’s time and trouble in bringing a complaint to the Ombudsman, or for distress caused to the complainant.

However, most people who approach the Ombudsman are not seeking financial remedies. Most people who complain to us want to make sure that others will not have to face the same injustice.

About 20% of our recommendations this year were about taking steps to make sure that services improve – for example, through training or feedback for staff, review of current practice, or us recommending that a procedure should change.

Compliance

Our recommendations aim to put things right, secure justice and improve services for the benefit of the public - not just for those who complain. In practice, public bodies routinely carry out the actions we suggest.

When we make recommendations, we agree a date by which the organisation needs to comply and we ask them to send evidence that they have complied. During the year, we have continued our efforts to ensure that organisations show us how they complied with our recommendations and changed the way we measure this to focus on timely action.

We now hold quarterly meetings with the largest public bodies to discuss compliance with our recommendations. We have also established a new way of measuring performance on compliance for public bodies in Wales and reviewed our escalation policy for when targets are missed. We have zero tolerance for public bodies not complying with the agreed targets.

If organisations do not comply with our recommendations, we can issue a 'Special Report', which is a public report. We issue very few Special Reports – none were issued in 2023/24.

97% of our recommendations were complied with in 2023/24. 67% of these were in time with the target date agreed.



Our complaints about the Code of Conduct

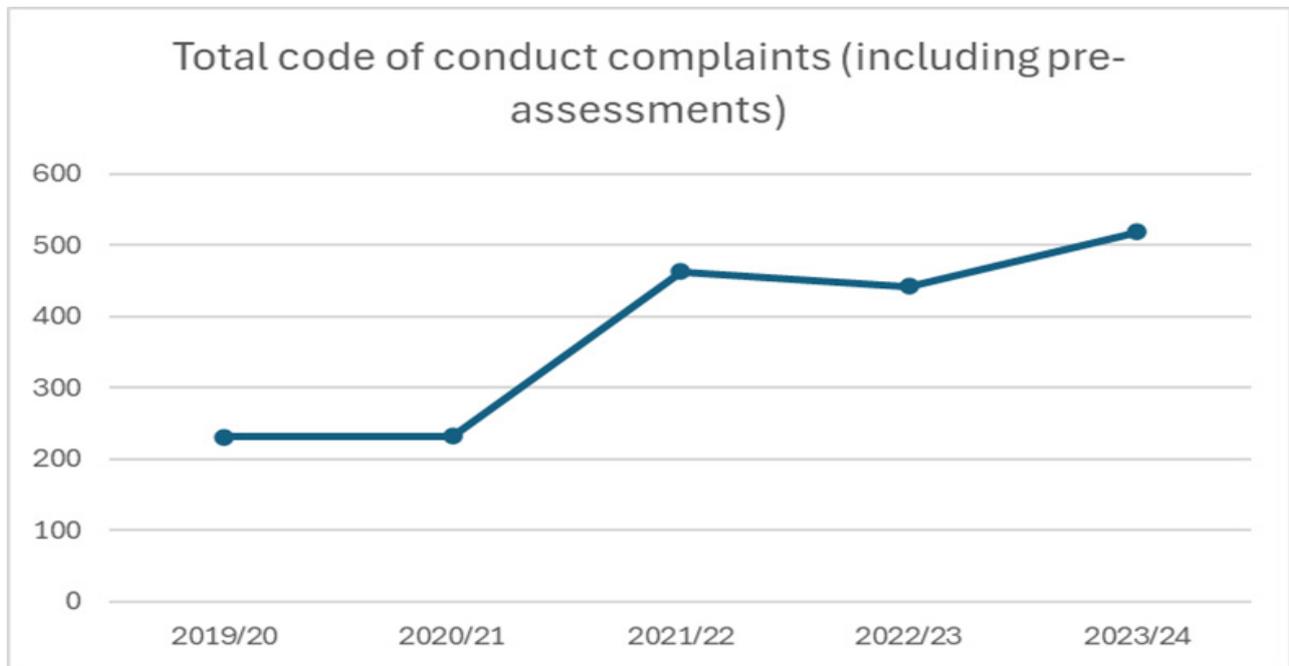
The Model Code of Conduct, introduced in Wales in 2008, sets out a set of enforceable minimum standards for the way in which councillors and members of some other public bodies⁵ should conduct themselves, both in terms of their official capacity and (in some instances) in their personal capacity as well.

New Code of Conduct complaints

We received more complaints about the Code of Conduct this year, following a small drop in the previous year.

Of these, 176 were complaints about town and community councillors, 151 about Principal council councillors and 1 regarding a national park councillor.

We received 518 complaints about the Code of Conduct but only had enough information to investigate 328. This was 16% more than last year.

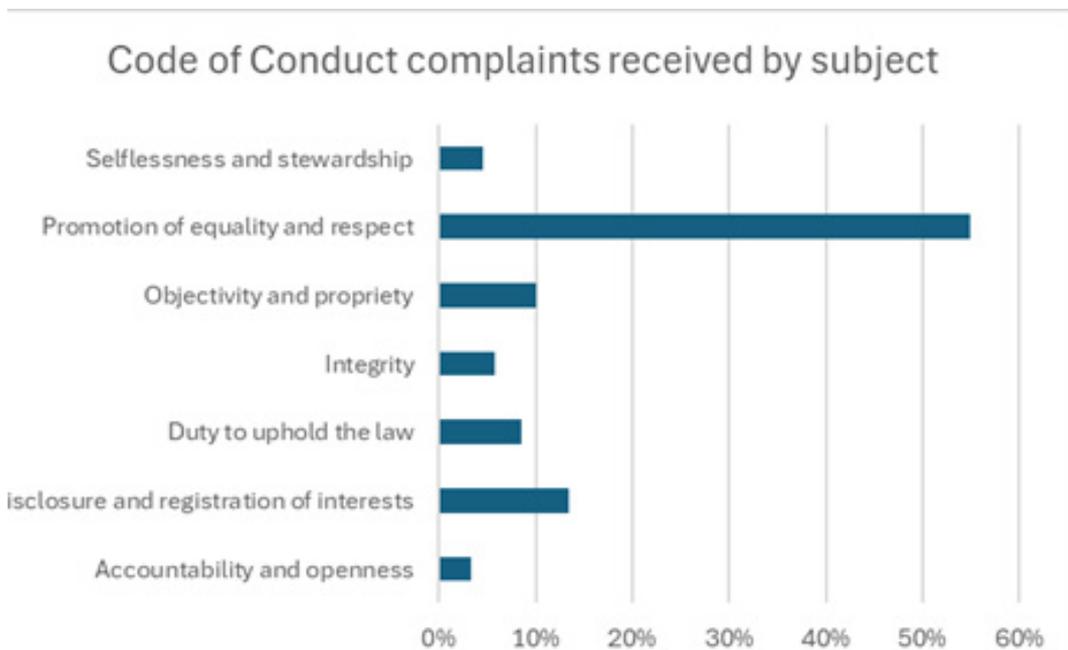


⁵ The public bodies that the Model Code of Conduct applies to include: local authorities; town and community councils; fire and rescue authorities; national park authorities and police and crime panels in Wales.

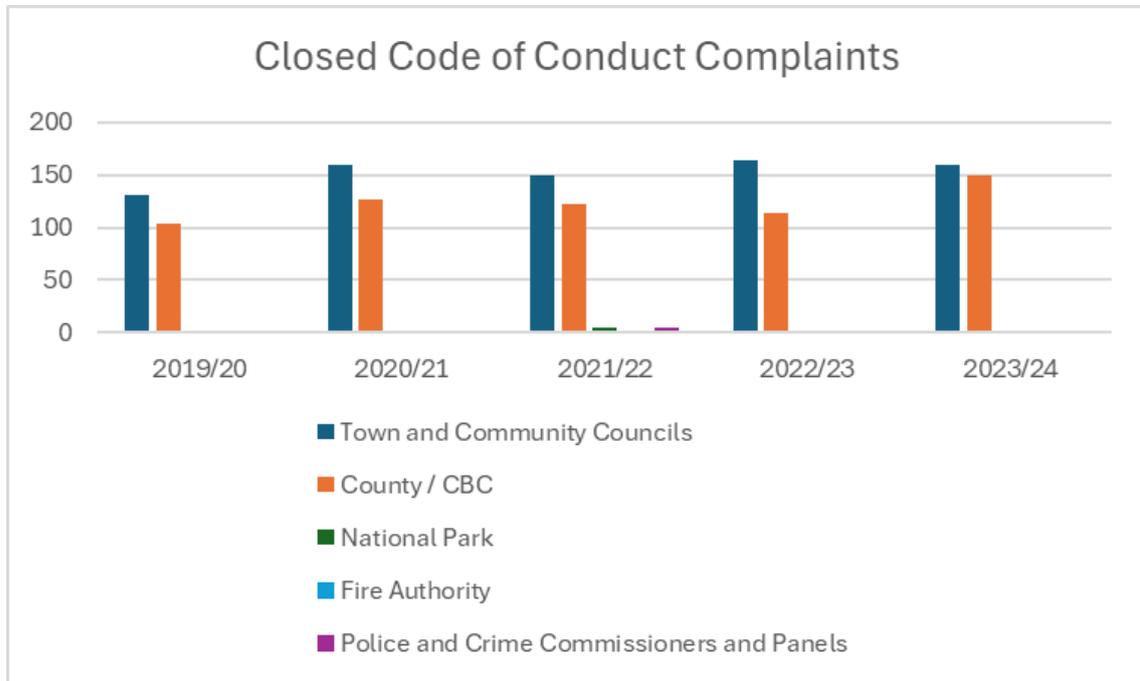


We analyse and report on the subject of the Code of Conduct complaints, based on the [Nolan Principles](#), which are designed to promote high standards in public life. 55% of the complaints that we could investigate were about the promotion of equality and respect. This was a lower proportion than last year (61%).

Generally, the cases that we categorise under 'respect' are lower-level complaints. These are the ones where we tend to decide quickly that we will not investigate or where we recommend the complaint is best resolved locally. The complaints that we categorise under 'equality' commonly involve more serious allegations of bullying or discrimination.



Closed Code of Conduct complaints



We investigated a higher proportion of Code of Conduct complaints this year than last year. We referred 21 Code of Conduct cases to either the relevant Standards Committee or the Adjudication Panel for Wales. 85% of our referrals were upheld.

We apply our 'public interest test' to decide which cases we should investigate. Public interest can be described as something which is of serious concern or benefit to the public.

Generally, we investigate only a small proportion of the Code of Conduct complaints we receive. This shows that the standards of conduct in local government are generally good.

In 2023/24, we assessed 311 complaints about the Code of Conduct - an increase of 11% on the previous year.

We investigated 48 of these complaints: 13 more than we investigated last year.

It is not up to us to decide whether a councillor has breached the Code. We investigate and consider that there may have been a serious breach of the Code of Conduct and we then refer the complaint and our findings to a local Standards Committee or to the Adjudication Panel for Wales to determine.

These bodies then independently look at the evidence we have gathered, together with any information put forward by the councillor concerned.

They then decide whether the councillor breached the Code of Conduct and if so, what sanction to impose.

In 2023/24, we referred 21 complaints to the Standards Committees of the relevant local authorities and to the Adjudication Panel for Wales. This was a 43% increase than the previous year. This reflects the larger number of Code of Conduct complaints we investigated and closed this year.

Here, we give examples of two decisions, following our referrals, that the Adjudication Panel for Wales issued this year.

Case example 1

It was found that a former member of Mumbles Town Council made a series of vexatious complaints to our office targeting a small group of the Council's members. She also covertly recorded a confidential session of a Council meeting and had offered to play the recording to a member of the public. Swansea Council's Standards Committee decided that the Former Councillor had failed to comply with the Code of Conduct and decided to censure the Former Councillor, whilst noting that, had they remained a member of the Council, it would have suspended them for 6 months.

The Former Councillor went on to appeal the decision of the Standards Committee to the Adjudication Panel for Wales, who endorsed the decision. Its decision can be found [here](#).



Case example 2

Whilst investigating a complaint about a member of Ceredigion County Council and Aberystwyth Town Council, the Ombudsman issued an interim report to the Adjudication Panel for Wales ('the APW'), recommending that it was in the public interest for the Councillor to be suspended immediately from his role as a councillor on both local authorities, pending the conclusion of the investigation of the complaint.

The [APW's Interim Case tribunal](#) agreed that it was in the public interest to suspend the Councillor for a period of up to 6 months, pending the outcome of the Ombudsman's investigation. The investigation has now been concluded and the case will be determined by the Adjudication Panel during 2024/25.

Independent review

On 26 March 2024, the Ombudsman was informed by a member of the public that a member of staff had been making inappropriate and unacceptable social media posts of a political nature. The member of staff was promptly suspended pending a disciplinary investigation and shortly afterwards resigned from her role.

The demonstrable independence, fairness and impartiality of the Office are core to our work and so the Ombudsman appointed Melissa McCullough (Standards Commissioner for the Northern Ireland Assembly and for the Jersey & Guernsey States Assemblies) to undertake an independent review of our handling of our Code of Conduct complaints.

The aim of the review is to provide assurance on whether our Code of Conduct processes, delegations and decisions have been sound, free from political bias and that any lessons are learned from what has happened. The Terms of Reference for the review can be found [here](#).

Once completed, we will share the final report on the review with the Senedd's Finance Committee and publish it on our website. At the time of writing, we anticipate that this will be in the Autumn of 2024.

The quality of our decisions

We do our best to make sure that we handle complaints fairly and in a transparent way. We have a process to deal with requests for a review of our decisions. Those reviews are considered by a member of staff who was not previously involved in the case.

Review requests

In 2023/24, we received 198 requests from complainants asking us to review our decision. This was 16% less than the previous year. In addition, we had carried forward 13 requests from the previous year. We managed to deal with 191 of these requests.

Once we have issued our review decision, we sometimes receive further correspondence from complainants. We log these as a 'follow-up'. Last year, we received 27 of these, which is 42% less than the previous year. We responded to all that we received.

We upheld 8% of the review requests that we dealt with – about the same proportion as in 2022/23. We include follow-ups in this calculation as we take care to consider everything sent to us. This is a very small number of our complaints overall (0.5%) and gives us confidence that our process is sound.

Where we upheld a review request, as in previous years, this was occasionally because we received more evidence from the complainant. However, our review sometimes concludes that we could have done more. When this happens, we take steps to make sure we learn any lessons.

Cases subject to judicial review

The Ombudsman is a Corporation Sole. This means that the person appointed to the role is fully responsible for casework decisions. Complainants can request an internal review of a casework decision that they are unhappy with (we talk about this in more detail in the 'Quality of Our Decisions' section of this Report). However, the appropriate route to challenge our decisions is through judicial review.



One application for permission to bring a judicial review to challenge a decision we took was made during 2022/23. This was refused by the High Court.

A case involving a former councillor who applied to the High Court for permission to appeal a decision of the Adjudication Panel for Wales to disqualify them from being a member of a local authority in Wales for 12 months in March 2022, remained ongoing during 2023/24. Permission has recently been refused. However, a further application will be considered by the Court in due course.

The quality of our service

We want to deliver an excellent service. We have 5 Service Standards that explain the service people can expect from us. Read more about our Standards [here](#).

To check how we are doing, every year we monitor and analyse our performance and gather feedback from our service users and from organisations that we look into.

What complainants think about our service

Every February, we organise a telephone survey of about 200 people who have complained to us during that year.

We are concerned that, despite an improvement in our feedback last year, the overall assessment of our customer service has declined. Only 40% of people said that they were happy with the service they received from us. This figure increased to 98% for those satisfied with the outcome of their complaint and dropped to 21% for people who were not satisfied with the outcome. Generally, people tend to be happier with our service if they are happy with the outcome of their complaint.

We take this feedback seriously and are considering ways we can provide a more personal, empathic and considerate service.



83% of respondents said we were easy to get in touch with

Complaints about our service

In 2023/24, we also handled 38 complaints about our service. Of those that we investigated and closed, we upheld or partially upheld 36%, the same as last year.

These complaints related to issues around how we communicated, how quickly we considered complaints and how we paid attention to detail. We communicated the findings internally to help ensure we do not make the same mistakes again.



To ensure that we are open and accountable, if people are unhappy with how we handled their complaint about us, they can ask for that complaint about our service to be considered by an external independent review service. During 2023/24, 12 people referred their complaints about our service to our external review service compared to 19 last year. These referrals often raise several issues that the complainants want reviewed. The external review service upheld 10% of issues raised in these complaints.

What organisations think about our service

We also invite comments on our work from the organisations that people complain about.

This year, we issued an online survey to 78 public bodies. We asked them for comments on their most recent complaint with us, as well as on our work in general. We received 22 complete responses. The results were broadly positive and showed improvement in critical areas. Overall satisfaction with our service scored 8/10 (the same as last year).

We also held three Sounding Board sessions in March and April 2024, with local councils, Health Boards and Housing Associations. We had feedback on the concerns public bodies had about the challenges they face and our deadlines, questions about the new own initiative investigation and we were able to provide advice on non-responsive complainants.

90% felt our findings positively influence their organisation, up from 84% last year.

Service quality

In the last year, we enhanced our focus on our Service Quality provision. The goal of this function was to provide feedback to our staff, and management, on how the actions of our investigation officers, in their day-to-day handling of complaints, impacted the level of service we provided to the general public.

Service Quality operates in real time – checking investigations which are still ongoing, giving us the opportunity to remedy poor service more quickly – as opposed to providing feedback on a closed case.

We created a multi-point check for every case we reviewed and, with a small Service Quality provision, completed 204 checks throughout the year. We set an ambitious target in the first year of operation – 75% of cases checked with little or no feedback.

Overall, our Service Quality checks highlighted the hard work and dedication of our investigation officers – providing a good service on often challenging and complex matters – with 67% of cases checked meeting our threshold.

We'll look to develop our Service Quality approach as time goes on, ensuring that the feedback we provide ensures that we give the best service possible to the people of Wales.



Whistle-blowing Disclosure Report

Since 1 April 2017, we are a 'prescribed person' under the Public Interest Disclosure Act 1998. The Act provides protection for employees who pass on information concerning wrongdoing in certain circumstances. The protection only applies where the person who makes the disclosure reasonably believes that:

1. They are acting in the public interest, which means that protection is not normally given for personal grievances.
2. The disclosure is about one of the following:
 - Criminal offences (this includes financial improprieties, such as fraud)
 - Failure to comply with duties set out in law
 - Miscarriages of justice
 - Endangering someone's health and safety
 - Damage to the environment
 - Covering up wrongdoing in any of the above categories.

As a 'prescribed person', we are required to report annually on whistleblowing disclosures made in the context of Code of Conduct complaints only.

In 2023/24, we received 30 Code of Conduct complaints that would potentially meet the statutory definition of disclosure from employees or former employees of a council. 18 of these complaints related to the promotion of equality and respect.

We investigated 11 of these complaints. We have not closed any of those investigations to date. We concluded 4 investigations that were

ongoing since 2021/22 and 8 that were ongoing from 2022/23. We found no evidence of breach in relation to one of those cases. Of the remaining, 7 were referred to Standards Committees and 4 to the Adjudication Panel for Wales.

Of the 4 referred to the Adjudication Panel for Wales, a member of Flintshire County Council was suspended from office by the Panel for a period of 4 months, following a hearing during 2024/25. The other 3 cases are awaiting hearing by the Panel.

5 of the investigations opened in 2022/23 and 11 from 2023/24 were still ongoing at the year-end.



Strategic Aim 2: Increasing Accessibility and Inclusion



We want to make sure that we offer a fair and equal service to all. We had some successes this year, but we will continue to work to improve how accessible we are.

We publish detailed information about the profile of people who complain to us in our Annual Equality Report. You can read our Annual Equality Reports [on our website](#).

Our Accessibility

Awareness of our service

Every two years, we commission research to check how many people in Wales know about our services. This year's results tell us that people are more aware about the work that we do and there is a high level of understanding and trust in our Office.

More people believed we are impartial (82%) and 87% of the people surveyed felt they could approach us if they needed to. However, there still is some confusion about the independence of our role, as a large proportion of people believe we can act on their behalf, whereas our role is to independently investigate complaints.

Contacting us

Some people may find it more difficult to complain than others and there are many ways in which we can help. 83% of our complainants said that we are easy to contact. This was a disappointing drop from the previous year (87%).

While most people complain to us online, by email or by post, we can accept complaints that are not in writing. This year, we took 103 oral complaints, a lower rate than in the previous two years. We know that this service is demand-led and we need to do more to make sure that we promote the option including on our social media and at engagement events.

Additional support

We always check if people who complain to us need additional help and support. When someone contacts us, we ask how they prefer to communicate: by phone, email, or post and if they need us to adjust our service to better meet their specific needs. This year, 79 people requested extra help using our service, the same number as last year.

This year, we reviewed our internal policy on additional support. We also provided training for our staff on learning disabilities and the specific access support that learning disabled people might need.

Website

We launched our new website with additional features to enhance accessibility and improve the user experience. The site was accessibility tested during its development by a group of neurodivergent testers, from All Wales People First. We have incorporated the feedback into the new site.

Accessible resources

We aim to make the information we publish and send to people as accessible as possible and we use Plain English / Cymraeg Clir unless it cannot be avoided for legal reasons. This year we also produced two new visually accessible [factsheets](#) about our public services and Code of Conduct work.

Including everyone

Diversity and Inclusion

We published our new Strategic Equality Plan 2023-2026 in November 2023. The plan explains our four Equality Objectives and where we plan to be in three years' time. More information about our Equality Objectives can be found on our [website](#).

The number of disabled people who use our services has continued to increase. People who identify as LGBTQ+, women and people who have diverse religious faiths are also well represented. However, people who are from poorer socio-economic groups are less represented in our complainants.

Outreach activities

The focus of our outreach work is to raise awareness of our services, especially amongst those who are under-represented in our complainants.

Our target communities are:

- young people – this is our priority group
- people from diverse ethnic backgrounds
- people from diverse national backgrounds
- disabled people
- Welsh speakers
- people experiencing socio-economic disadvantage



We attended several events to promote our services, including the Minority Ethnic Communities Health Fair, and the Mastering Diversity Conference.

We want to use social media to help us reach out to more people, especially younger audiences. We opened an [Instagram](#) account in 2023 and have trebled the number of accounts we reach from our [Facebook](#) posts.

We are really pleased to see that people from our target communities are more aware of services this year than in previous years and hope that this will translate into more complaints from them.

Advice and advocacy bodies

24% of people hear about our services by word of mouth. This figure rises to 40% with young people. As well as attending events, we have been reaching out to advice and advocacy bodies to help us engage with our target groups. This year we met with 9 advice and advocacy bodies. We also attended events organised by advice and advocacy bodies where we were able to promote our services directly to the public and to other stakeholders, which gave us opportunities to increase the visibility of the Office.

We held a Sounding Board for advice and advocacy bodies which gave them the opportunity to raise issues and provide us with valuable feedback.

Welsh Language

We support the Welsh language and ensure that this is treated no less favourably than English in our work. We aim to meet Welsh speakers' needs. You can see our [Welsh Language Policy](#) on our website.

This year, 61 people asked us to communicate with them in Welsh, more than double than the number last year. However, we remain concerned with the low number of people choosing to communicate with us in Welsh.

We asked Welsh speaking complainants what they thought of our service. Most told us they had submitted their complaint in English, despite being very confident in their ability to speak, read and write in Welsh. The main reasons why they had done this related to concerns they had that the complaint would not be considered as quickly and that their correspondence with public bodies, relating to their complaint, was in English.

We believe we fulfil all Welsh Language Standards and we dealt with one complaint, received via the Welsh Language Commissioner regarding website clarity, promptly.

We reviewed the way we measure our impact on the Welsh Language and have revised our impact assessments procedures to strengthen the focus on the Welsh Language.



Strategic Aim 3: Increasing impact of proactive improvement work

Complaints Standards

In 2023/24, we continued our important work to introduce Complaints Standards to public bodies in Wales. Following our successful roll out to all Local Authorities and Health Boards, we have turned our attention to Housing Associations.

Our Complaints Standards Team is now working with 23 Housing Associations – meaning that **56 Public Bodies across Wales currently operate the model complaints policy.**

These 56 public bodies – including all Local Authorities, all Health Boards, Welsh Ambulance and now most Housing Associations - represent about 85% of the complaints which the Ombudsman receives. We have targeted these bodies to adopt the policy first, to provide the most benefit to people using their services.

Eventually, our model policy will apply to the entire Welsh public service – realising our vision of one complaints journey, regardless of where you live or who you are complaining to.

We also continued our work on standardising recording practices – working with our colleagues in the NHS and local authorities – and continued to publish this information twice a year on our website here: www.ombudsman.wales/published-statistics.

Standardising, and publicising, this data is important; not only to ensure that public bodies comply with our model policy, but also to ensure that public bodies have an appropriate focus on using complaints information to improve service delivery for everyone, not just those with the means and ability to complain. Our use of Complaints Standards data also allows us to better scrutinise performance, by being able to understand how many complaints each service is handling and how long complainants typically have to wait for an answer.



Our offer of free complaints handling training has remained popular and we provided 94 training sessions to public bodies across Wales in the 2023/24 year. **We have now provided more than 500 training sessions since September 2020.**

Our training, which has reached about 10,000 people in the last 3 and half years, includes a detailed discussion on accessibility – and how public bodies can ensure they receive all the complaints they should, from all parts of society. This helps contribute to our Equality Plan objective to positively influence the accessibility of local complaints processes.

Own Initiative investigations

We can undertake two different types of own initiative investigations: extended and wider.

Our extended investigations

Extended investigations happen when we are already investigating a problem and we extend the investigation to other issues or complaints.

In 2023/24, we closed 3 extended investigations.

Our reference: 202205543

A complaint was made against Betsi Cadwaladr University Health Board about a delay in removing a patient's appendix in 2019. We extended this investigation to include the actions taken by the Health Board following a scan in 2017.

We found that the Health Board should have arranged to remove the patient's appendix following the 2017 scan. This was a missed opportunity to avoid deterioration of the patient's health and was a significant injustice. Had we not started an extended own initiative investigation, the patient and the complainant would have been entirely unaware of the missed opportunity. This significant failing led to serious injustice to the patient and the complainant and would otherwise not have come to light. The serious failings identified resulted in the publication of a [public interest report](#) with recommendations that the Health Board should apologise and pay the complainant and the patient £10,000.



Our reference: 202205146

We extended a complaint made against Hywel Dda University Health Board to include services received by the complainant from Swansea Bay University Health Board.

No evidence of maladministration or service failure relating to Swansea Bay University Health Board was found.

Our reference: 202207320

We extended a complaint made against a Dental Practice in the area of Swansea Bay University Health Board when it refused to provide the complainant with further treatment.

We found that the Dental Practice's decision to refuse the complainant further treatment was influenced by the escalation of the complaint to our office. The complainant was penalised for following the Dental Practice's own complaints policy. The Ombudsman recommended the Practice should apologise to Mr A and offer him £500 in recognition of the injustice caused to him. She also recommended that it should review its complaint handling practices to ensure that they are in-line with relevant Regulations and "Putting Things Right", and invited the Health Board to undertake an audit of those patients that the Practice has removed from its NHS list of patients.

Our wider investigations

Wider investigations happen when we conduct a stand-alone investigation which does not relate to a complaint made by an individual.

During the year, we consulted on our proposal to undertake a **wider own initiative investigation** into the **administration of carers' needs assessments** with the specific local councils that we planned to investigate – Caerphilly, Ceredigion, Flintshire and Neath Port Talbot. The investigation started last June. We have gathered evidence from the 4 councils, their commissioned service providers and their staff. We have also heard from carers with lived experience of having their needs assessed. The investigative stage is complete, and the investigation report will be published soon.

We published a follow-up report to our previous wider investigation report, [Homelessness Reviewed: Revisited.](#)

The report outlined progress made in homelessness services in local councils since our 2021 wider investigation into **the administration of homelessness assessments and reviews**. We found that, while some positive action has been taken by the local councils, there are some areas in which further action could be taken to improve homelessness services across Wales.



Sharing our findings and insights

We believe that it is very important that we share findings and insights from our casework as widely as possible to help improve public services. We publish summaries of all our investigations on our website and share our public interest reports with a wide range of organisations, including the Welsh Government.

Public interest reports

When we investigate a complaint and we think that something has gone wrong, we usually prepare a report which explains our findings.

Sometimes, we decide to issue a Public Interest report. We do this, for example, when:

- there are wider lessons from our investigation for other bodies
- what went wrong was very significant
- the problem that we found may be affecting many people, not just the person who complained to us, or
- we had pointed out the problem to the body in the past, but the body did not address it.

When we issue a Public Interest Report, we draw attention to it in the media. The body must also publish an announcement in the press about the Report.

This year, we issued 8 Public Interest Reports – compared to 6 in 2022/23. You can find them on our website [here](#).

We follow up on the recommendations in our public reports to ensure that public bodies put things right for individuals who have suffered injustice and to improve services by, for example, ensuring the body takes steps to change processes and procedures to ensure that any systemic maladministration or service failure we have found is not repeated.

For example, in relation to the report we published about Swansea Bay University Health Board (case refs 202200425, 202201496 & 202200361), we are following up and monitoring the actions the Health Board is taking to audit its orthopaedic waiting lists to ensure that other patients are not unfairly treated, as a result of errors in the way the waiting list was managed.

Our reference: 202107105

We found a failure by Betsi Cadwaladr University Health Board to provide a patient with the expected level of care following surgery, which could have avoided a subsequent cardiac arrest and admission to the Intensive Care Unit.

Our reference: 202106392

We found that the deterioration and death of a patient with an umbilical hernia might have been prevented, had Cwm Taf Morgannwg University Health Board not missed two opportunities to appropriately admit him.

Our reference: 202004800

We found that a patient in the care of Betsi Cadwaladr University Health Board suffered permanent sight loss and will need life-long treatment, due to failings by Betsi Cadwaladr University Health Board.

Our reference: 202301069

We found that Aneurin Bevan University Health Board failed to offer 'fampridine', a potentially life improving medication that may help to improve walking for some patients with multiple sclerosis, to eligible patients in its area.

Our reference: 202206003

We found that Welsh Government had failed to ensure that local authorities were carrying out their duties in respect of providing sufficient accommodation for Gypsies and Travellers.



Thematic Report

We issued a thematic report 'Groundhog Day 2: An opportunity for cultural change in complaint handling?' which highlighted learning from our casework on health complaints and the opportunity for cultural change arising from the new 'Duty of Candour' on health organisations in Wales. We recommended that Quality & Patient Safety Committees in Health Boards should consider whether the option to provide staff investigating complaints with independent medical advice, is considered on a case by case basis and that they should ensure that lessons learned from our findings and recommendations are included in their Health Board's annual report on the Duty of Candour and Quality. You can read the Thematic report [here](#).

Our Equality and Human Rights Casebook

This year we published our fifth Equality and Human Rights Casebook.

We do not make definitive findings about whether a public body has breached an individual's human rights. However, if we find that something has gone wrong in the delivery of public services, we consider whether a person's human rights may have been engaged. If we think it is relevant, we comment on how the body providing the service considered those rights.

Our Equality and Human Rights Casebook assembles a selection of cases where human rights or equality issues have either been raised as part of the complaint or have been central to our findings. You can read the Casebook [here](#).

Annual letters

Every year, we send letters to Health Boards and local councils about the complaints we received and considered about them during the year. We do this to help these organisations improve their complaint handling and the services that they provide. The organisations must report this information through their internal governance arrangements and use it to see how they can improve. We publish all annual letters on our website [here](#).

Public policy

We use our expertise and the evidence from our casework to contribute to the development of public policy in areas such as health, social care and local government.

In 2023/24, we responded to 5 public inquiries and consultations.

One of our key responses was about proposals for a new tribunal system for Wales.

We welcomed many of the proposals contained within the White Paper but stressed the importance of minimising disruption and ensuring there is no loss of expertise within the Adjudication Panel for Wales and that a uniformity of approach and transparency is taken. We asked that the new body works with us in our role as Complaints Standards Authority in adopting our model complaints policy and procedures.

We also responded to the recommendations of the Independent Review of the Ethical Standards Framework, also known as the Richard Penn Report, advocating strongly that training for all members on the Code of Conduct should be mandatory.

During the year, we were pleased to have the opportunity to provide information about our public service complaints casework to the UK Covid-19 Public Inquiry, in relation to its work on 'Module 3: Impact of the Covid-19 pandemic on healthcare systems in the 4 nations of the UK'.

Engagement with Public Bodies

It is important that we directly engage with the bodies in our jurisdiction and other stakeholders operating in the sectors which account for most of our complaints.

As part of this work during 2023/24, the Ombudsman met with chief executives and senior officials in several local authorities and health boards.

The Ombudsman also met with other key stakeholders responsible for the scrutiny of public services, such as Health Inspectorate Wales, Care Inspectorate Wales, and Audit Wales, as well as the Welsh Commissioners, the Equalities and Human Rights Commission and other Public Sector Ombudsmen across Ireland and the UK, to share relevant information and insights.

We use Memoranda of Understanding (MOUs) to set out how we communicate with organisations where we have shared responsibilities to ensure we work effectively and efficiently together. The general principles that underpin our agreements include recognising each other's statutory responsibilities and respecting each other's independent status. We have reviewed the MOUs with the following organisations this year:

- Dyfed Powys Police Authority
- Gwent Police Authority
- North Wales Police Authority
- South Wales Police Authority
- Llais Wales



Strategic Aim 4: Healthy, efficient and accountable organisation

Our people

We value and support our staff. We want to continue to support staff to develop the knowledge, skills and attitudes to continue to offer an efficient and professional service. We are also committed to creating a healthy, equal, diverse and inclusive workplace. We are proud of how our staff performed this year and our focus is on maintaining the health and well-being of staff.

Training and development

All staff are expected to complete 28 hours of training and development each year (pro rata for staff who work part time). In 2023/2024, 71% of our staff achieved this. This was lower than the proportion from last year (80%) and was primarily due to workload pressures.

Through our Performance Review & Development Process (PRDP), we make sure that each member of staff has clear objectives and priorities for the year ahead and that we review their progress regularly. New colleagues are set more immediate objectives and priorities. For staff returning from maternity leave or long-term sickness, we agree their objectives when they return. This year, all staff completed their PRDP

(except for those on long term sickness absence and those still on maternity leave).

This year, we have launched our new Graduate Trainee Programme and have advertised for a Welsh speaking Graduate Investigation Officer. The response has been promising and this three-year development programme will provide an excellent opportunity to a new Graduate whilst helping us meet our needs, especially in relation to Welsh language skills.

We are also looking to recruit an office apprentice and this, too, is a new initiative for us.

Health and wellbeing

We want our staff to be healthy and well.

The average percentage of working days lost through staff sickness decreased from 3.29% to 3%. This means that an average of 7.7 days per employee were lost because of sickness, compared to 8.59 days in 2022/23. However, this was mainly because of a small number of long-term sickness absences, with short term absences significantly lower than last year.



We have continued to offer our staff support to improve their wellbeing. This has included using stress risk assessments to help staff identify emerging issues. We also continued to offer Mental Health First Aider support to staff. We will continue to look for ways to handle work more efficiently and continue to recruit excellent staff when vacancies arise.

Equality, diversity and inclusion

Equality, diversity and inclusion are important to us – as a service provider and as an employer.

Every year we look at how well the profile of our staff reflects the population of Wales.

The proportion of people in our workforce who identified with diverse ethnic backgrounds is 6%, a drop from last year, but remains higher than the national proportion of the population of 5.4%⁶.

We do not have anyone under the age of 25 working for us at present but 4% of people identified as lesbian, gay, bisexual or other diverse sexuality, higher than the proportion of the population who identified as such in the latest census.

6% of our staff are disabled, a small increase from 5% in 2022, but significantly lower than the proportion of disabled people in Wales.

We also look at gender equality in our workplace. 77% of our current staff identified as female (compared to 70% last year).

Job applicants

For us to reflect the diversity in society, our aim is to attract more applicants from diverse backgrounds. Women, among our job applicants and staff, consistently outnumber men by a significant margin. 9% of people applying for our vacancies are from diverse ethnicities and 5% were sexually diverse, both higher than their population equivalents. However, only 4% speak Welsh as their main language and 9% told us that they were disabled, both much lower than population levels.

⁶ <https://statswales.gov.wales/Catalogue/Equality-and-Diversity/Ethnicity/1ethnicity-by-area-ethnicgroup>



Gender pay gap

We have further reduced our mean gender pay gap, from 12% to 8%. We can report, once again, that we do not have a median gender pay gap. For comparison, Chwarae Teg (the former charity supporting the economic development of women) estimated that the median Gender Pay Gap in Wales in 2021 was 12.3%.

Welsh language skills of our staff

Under the Welsh Language Standards, every year we measure the Welsh language skills of our workforce. In 2023/24, 8% of our staff said that Welsh was their main language. This was a reduction from 13% last year.

The proportion of people who spoke Welsh fairly well or fluently also declined from the previous year:

- Speaking: 21% (compared to 26%)
- Reading: 24% (compared to 31%)
- Writing: 21% (compared to 26%)
- Understanding: 21% (compared to 32%).

We supported 5 colleagues to undertake Welsh language training during the year.



Sustainability

We understand that we need to play our part in protecting the environment and continue to develop sustainable working practices. We produced 5,589 kg of waste. This was 68% less than last year and reflects the fact that, during the previous year, we downsized our office space and staff cleared their desks and cupboards. This figure now reflects normal waste flow. We were able to recycle 87% of waste and sent no waste to landfill.



We used 7% less electricity than last year.

The normal ways of working have been in place for a couple of years, allowing us to compare year on year figures for emissions produced by staff working at home, in the office or a mixture of both. We calculate this by considering how often people come to our office to work and how many hours they work at home. This year we saw an increase in these emissions of 5.8%. This could be because we have more people working for us and more frequent office attendance.

This was the first year we set a target for our carbon footprint, of 60,000kg of carbon dioxide equivalent (CO₂e) based on an estimation of our electricity use and staff emissions.

We produced 62,630kg of CO₂e slightly more than we had estimated. We aim to include waste in our emissions target for future years.

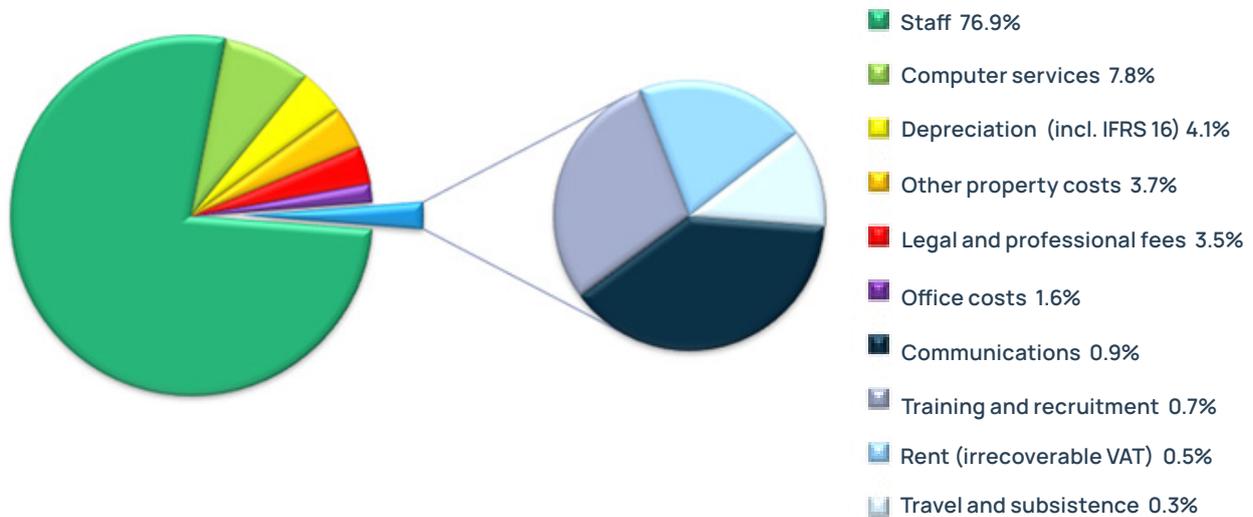
We are required by law to publish a report on our sustainability under the Biodiversity and Resilience of Ecosystems Duty (section 6 duty). We publish in that report detailed information on how we managed waste, used electricity and calculated commuting emissions.

Financial Management

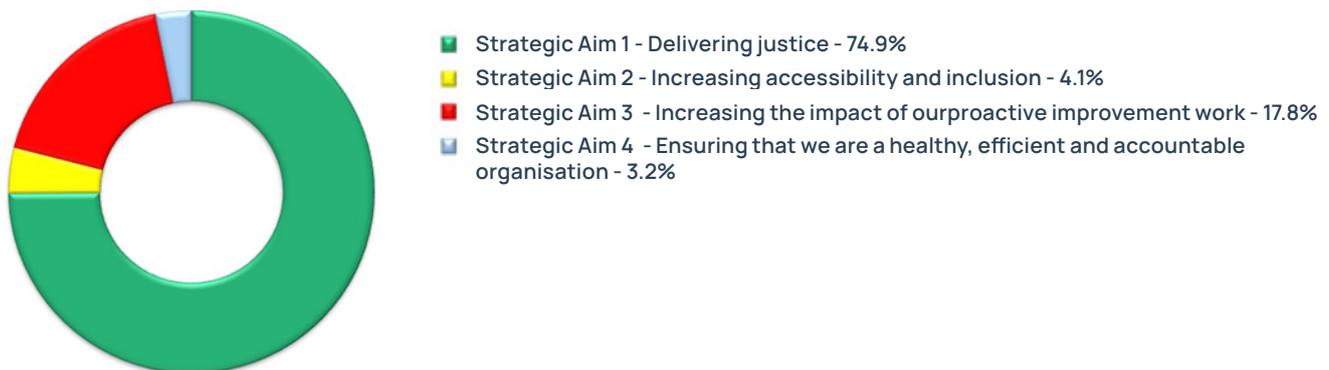
Overall resource and cash expenditure has increased as a result of the additional funding provided to us from the Welsh Consolidated Fund to fund pay awards, inflation and some investment in our strategic priorities.

	2023/24	2022/23	Change
Resource Out-turn	£000s	£000s	£000s
Total Resource	5,736	5,341	+395
Cash Requirement	5,729	5,308	+421

Gross Resource Expenditure 2023/24



Analysis of Spending by Strategic Aims



Casework Costs

As outlined in previous Annual Report & Accounts we present average costs as calculated for our main activity – receiving, considering, investigating and responding to enquiries and complaints. This is our activity under Strategic Aim 1, and we will use the analysis figures for Operating Costs by Strategic Aims, presented within these audited accounts.

The graphs below show firstly cost per case for the full enquiry and complaints work completed in the year and secondly for cases completed in the year.

Cost per Case for Total Office Casework Closure



Cost per Case for Total Office Complaints Closure



Note: These graphs are based on expenditure on this Strategic Objective and adjusted to 2023/24 prices. Figures reported in previous Annual Reports are not directly comparable due a change in approach during 2021/22.

The variation in costs per case reflects the fact that in 2023/24, case closures were the highest ever since the creation of the Ombudsman's office, whilst our costs were significantly lower when adjusted for CPI inflation as at March 2024.

Proactive powers

We identify expenditure related to the additional powers provided to the Ombudsman under the Public Services Ombudsman (Wales) Act 2019, and for 2023/24 this is as reported below.

PSOW Act 2019: Expenditure in 2023/24	£000s
Staff costs	334
Premises	19
Professional Advice for Own Initiative investigation	3
Computer Services	3
Office costs	1
Training and Recruitment	2
Communications	1
Total	363
Budget	368
Variance	5

The Senedd Finance Committee will conduct a review of the operation and effect of the Public Services Ombudsman (Wales) Act 2019 during 2024/25.



Expenditure to 31 March 2024 compared to previous year

	2023/24	2022/23	Reasons for significant changes
	£000	£000	
Salaries	3,211	3,017	Pay award of £1,925 for salaries less than £49,950, or 3.88%, for those above.
Social Security costs	326	314	
Pension costs	865	809	
Pension fund charges	38	28	
Total Pay	4,440	4,168	
Rent	28	28	
External Audit fee	21	17	
Legal and professional fees	180	243	Lower costs for professional advice
Other property costs	216	192	Air conditioning work carried out in 2023/24
Computer services	453	284	Hardware & security upgrades in 2023/24
Office costs	94	104	Reduced telephone & transcription costs
Travel and Subsistence	16	12	Increased travel post-pandemic
Training and Recruitment	40	42	
Communications	53	36	Increased engagement work in 2023/24
Depreciation	233	234	
Total other Administration Costs	1,334	1,192	
Gross Costs	5,774	5,360	
Income	(38)	(19)	Staff secondment to Senedd Commission
Net Expenditure	5,736	5,341	
Capital	-	-	
Net Resource	5,736	5,341	

More detailed financial information can be found in the financial statements and notes that support the accounts.

Michelle Morris

Accounting Officer

Public Services Ombudsman for Wales

23 July 2024



Accountability Report

2023/24



Corporate Governance Report

Under the Government of Wales Act 2006, the Office is financed through the Welsh Consolidated Fund (WCF) with any unspent cash balances repaid into the WCF after a certified copy of the accounts has been laid before the Welsh Parliament. This creates a further control, in that there is a need to effectively manage the budget on both a cash and a resource basis. The salary of the office holder of the Public Services Ombudsman for Wales and the related costs are a direct charge on the WCF and are administered through the Welsh Parliament.

As at 31 March 2024, the Office comprised 78 permanent full and part-time staff based in Pencoed, Bridgend including the Ombudsman, Chief Operating Officer & Director of Improvement, Chief Legal Adviser & Director of Investigations, as well as investigation and support staff.

The Welsh Parliament provided cash of £5.7 million for the funding of the Office. £17k of this overall funding is due to be returned to the WCF, being the unused cash balance at the year-end. The expenditure of the Office was kept within the Estimate agreed in November 2022 and amended by Supplementary Budgets during 2023/24.

As referred to previously in the report, our unit costs have fallen to their lowest levels and reflect the highest number of complaints and enquiries closed by the Office, whilst our costs were significantly lower, when adjusted for CPI inflation.

Remuneration and Pension Liabilities

Details of the pay and related costs of the Ombudsman and the Office are shown in the [Remuneration Report](#).

Pension obligations to present and past employees are discharged through the Principal Civil Service Pension Scheme (PCSPS) and the pensions paid directly to former Commissioners or their dependants.

Further details are given in the [Pensions Disclosures](#).

Corporate Governance

The office holder of the Public Services Ombudsman for Wales is a Corporation Sole.

The Audit & Risk Assurance Committee supports the Ombudsman by reviewing the comprehensiveness and reliability of assurances on governance, risk management, the control environment and on the integrity of financial statements and the annual report. Further details are set out in the Annual Governance Statement.

Register of Interests

A register of interests is maintained for the Ombudsman, Directors and members of the Advisory Panel and Audit & Risk Assurance Committee.



Accounts Direction

Under the Accounts Direction issued by HM Treasury dated 21 December 2006, the Ombudsman is required to prepare accounts for the financial year ended 31 March 2024 in compliance with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual (the FReM) issued by HM Treasury which was in force for 2023/24.

The accounts have been prepared to:

- Give a true and fair view of the state of affairs at 31 March 2024 and of the net resource out-turn, resources applied to objectives, recognised gains and losses and cash flows for the financial year then ended.
- Provide disclosure of any material expenditure or income that has not been applied for the purposes intended by the Welsh Parliament or material transactions that have not conformed to the authorities that govern them.

Auditors

The Auditor General for Wales is the External Auditor of the accounts of the PSOW as laid down in paragraph 18 of Schedule 1 to the Public Services Ombudsman (Wales) Act 2019.

The cost of the audit for 2023/24 was £21k (2022/23 = £17k).

As far as I am aware, I have taken all the steps necessary to make the auditors aware of any relevant audit information.

Michelle Morris

Accounting Officer

Public Services Ombudsman for Wales

23 July 2024

Statement of Accounting Officer's Responsibilities

Under the Public Services Ombudsman (Wales) Act 2019, as Public Services Ombudsman for Wales, I am required to prepare, for each financial year, resource accounts detailing the resources acquired, held or disposed of during the year and the use of resources by the PSOW during the year.

The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the PSOW and its net resource out-turn, Statement of Financial Position and cash flows for the financial year.

In preparing the accounts, as the Accounting Officer, I am required to comply with the requirements of the 'Government Financial Reporting Manual' and in particular to:

- Observe the Accounts Direction issued by the Treasury, including the relevant accounting and disclosure requirements and apply suitable accounting policies on a consistent basis.
- Make judgements and estimates on a reasonable basis.
- State whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed and disclose and explain any material departures in the accounts.
- Prepare the accounts on a going concern basis.
- Confirm that the annual report and accounts as a whole is fair, balanced and understandable.
- Take personal responsibility for the annual report and accounts and the judgements required for determining that it is fair, balanced and understandable.



My relevant responsibilities as Accounting Officer include the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the PSOW's assets, as set out in Managing Welsh Public Money and the Public Services Ombudsman (Wales) Act 2019.

As the Accounting Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that PSOW's auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.

Annual Governance Statement 2023/24

Status of the Public Services Ombudsman for Wales

As laid down in Schedule 1 paragraph 2 of the Public Services Ombudsman (Wales) Act 2019, the Ombudsman is a Corporation Sole holding office under His Majesty. The Ombudsman discharges the functions set down in legislation on behalf of the Crown. Schedule 1 paragraph 19 states that the Ombudsman is the Accounting Officer for the office of the Ombudsman.

Scope of Responsibility

In undertaking the role of Accounting Officer, I have ensured that the office operates effectively and to a high standard of probity. In addition, the Ombudsman has responsibility for maintaining a sound system of internal control that supports the achievement of PSOW's policies, aims and objectives, whilst safeguarding the public funds and assets for which the Ombudsman is personally responsible, in accordance with the responsibilities set out in 'Managing Welsh Public Money'.

The Ombudsman is independent of the Senedd Cymru Welsh Parliament but is accountable to its Finance Committee for the use of resources provided. In determining the level of resources available to the office, the PSOW's budget proposals are considered by the Finance Committee of the Senedd Cymru Welsh Parliament in accordance with the process laid down in the Act. A combined Annual Report and Accounts is prepared for consideration by the Finance Committee.

I am required to include this Governance Statement with my annual report and accounts to explain how the governance of my office works and to ensure it meets the requirements of the Corporate Governance Code and The Orange Book: Management of Risk. To enable me to satisfy these requirements, I have maintained appropriate structures, systems and procedures that are comprehensive and provide me with evidence that the governance arrangements are working as intended across the whole organisation and its activities. Such arrangements include my Governance Framework, a comprehensive internal control environment, effective internal and external audit arrangements and robust financial management, risk planning and monitoring procedures.



Strategic Planning and Performance Monitoring

In my [Strategic Plan](#), which was launched in April 2023, for the three years 2023/24 to 2025/26, I established the following:

Our ambition for public services in Wales:

People of Wales feel that public services treat them fairly and respond when things go wrong; Welsh public services listen to individuals and use their complaints to learn and improve; Welsh local government is trusted to deliver the highest standards of conduct; and the Public Services Ombudsman for Wales continues to be an influential and respected voice in public service improvement.

Our Strategic Aims:

- **Strategic Aim 1: Delivering justice with a positive impact for people and public services**

We deliver an efficient, empathetic and proportionate service that supports justice and improves public services.

- **Strategic Aim 2: Increasing accessibility and inclusion**

People across Wales are aware of our office, understand how we can help them and our service is relevant and accessible.

- **Strategic Aim 3: Increasing the impact of our proactive improvement work**

We contribute to improvement in public services, through complaints standards work, wider learning from complaints and own initiative investigations and support high standards of conduct amongst councillors.

- **Strategic Aim 4: Ensuring that we are a healthy, efficient and accountable organisation**

We maintain and improve the efficient and effective use of our financial, staff and IT resources and ensure good governance, accountability and transparency.

Whilst individual teams within the office are charged with implementing the actions identified, the Management Team monitors progress made against targets and the outcomes achieved.

System of internal control

The system of internal control is designed to manage risk to a reasonable level, rather than eliminate all risk of failure, to achieve policies, aims and objectives; it can therefore only provide reasonable, and not absolute, assurance of effectiveness. It is based on an ongoing process designed to identify and prioritise the risks to the achievement of my policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised and to manage them efficiently, effectively and economically.

The system has been in place in the office of the PSOW for the year ended 31 March 2024 and up to the date of approval of these accounts and accords with HM Treasury guidance. No significant areas of internal control weaknesses have been identified from audit work and steps to improve controls further are implemented promptly and monitored by the Audit & Risk Assurance Committee.

Corporate Governance arrangements: Audit & Risk Assurance Committee

Governance arrangements include an Audit & Risk Assurance Committee (ARAC). The Committee's responsibilities are:

(A) Terms of Reference

The Committee supports me by reviewing the comprehensiveness and reliability of assurances on governance, risk management, the control environment and the integrity of financial statements and the annual report. The Committee has a scrutiny and advisory role and has no role or remit in relation to operational or casework decisions made by the PSOW.

(B) Membership

Membership comprises a minimum of four, and a maximum of eight, independent external members.



The membership of the Committee during 2023/24 was:

- Mr Ian Williams – Chair
- Mr Mike Usher - Vice Chair
- Mr John McSherry
- Mrs Joanest Varney-Jackson
- Dr Jane Martin CBE
- Mr Dave Tosh

More details on our independent members can be found on our [website](#).

(C) Training

Members of the Committee are invited to assess their training needs annually. An induction programme is provided for all new members of the ARAC. During 2023/24, members took part in two Workshops (July & November 2023) on Risk (facilitated by TIAA, who provide the internal audit service) and on PSOW finances, respectively. A further training session took place in January 2024 which allowed Members to observe staff and service delivery across a number of areas within the office (i.e. Intake, Assessments, Investigations, Review & Service Quality).

(D) Meetings

The Committee sets itself an annual work programme. There are generally four meetings of the Committee during the year.

The Ombudsman attends ARAC Meetings and the Chief Operating Officer acts as Secretary to the Committee. This year, the meetings were also regularly attended by internal and external auditors and appropriate members of the PSOW's Management Team.

At each meeting, the Committee received a number of standing agenda items. These included declarations of any identified fraud or losses, including any data losses.

At each meeting, the Committee received a copy of the latest Budget Monitoring report considered by the Management Team. This is intended to provide the Committee with an assurance that there is regular scrutiny of the financial position of the office.

During the year, the Committee also received reports on a number of other appropriate matters within its Terms of Reference. They included the 9 and 12 month accounts, internal audit plans, internal audit reports, a review of the Whistleblowing Policy, updates on major IT developments, relevant financial and corporate governance matters. The Committee considered cyber security risks and scrutinised arrangements in place to maintain cyber security. The Committee also reviewed the Office's counter-fraud and anti-corruption arrangements and policies, in the context of the Cabinet Office Counter-Fraud Framework.

The Committee provided advice to me to ensure that this 2023/24 Annual Governance Statement included appropriate information and complied with best practice.

A standing item is risk management. At each meeting, the Committee considered the full Risk Register, including a report on the greatest identified risks. The Committee explored and challenged the reported risks to satisfy itself that key risks had been identified. The overall approach to risk management and risk mitigation was discussed at a workshop facilitated by the internal auditors held in July 2023. In addition, the Committee undertook, at alternate meetings, an in-depth review of a specific risk selected from the risk register.

The Committee is chaired by an independent member and includes the Chair of the Advisory Panel. During the year, there was one other independent member of the Committee who also sits on the Advisory Panel. (This will end during 2024/25, after which only the Audit & Risk Assurance Committee Chair and the Advisory Panel Chair will sit on both the Audit & Risk Assurance Committee and the Advisory Panel.) There were 3 independent members who are not members of the Advisory Panel. The number of meetings attended, along with the number of meetings each member was eligible to attend, was as follows:



Committee Member	Maximum number of attendances possible	Actual number of attendances	% attended
Ian Williams (Chair)	4	4	100
Mike Usher (Vice Chair)	4	4	100
John McSherry	4	4	100
Joanest Varney-Jackson	4	4	100
Jane Martin	4	4	100
Dave Tosh	4	3	75

(E) Internal and External Audit

The Committee received regular reports from both the internal and external auditors. The work of internal audit during the year was planned, based on their overall needs assessment and carried out through their agreed annual programme. Their reports highlighted a satisfactory internal control framework within the organisation and made recommendations for improvement where necessary.

In all but one audit, the level of assurance was considered 'Substantial', the highest assurance level. A number of recommendations were made and these have either been completed or will be completed in accordance with agreed timescales.

The internal audits undertaken in 2023/24 and overall assessments were as follows:

	Assurance level
Governance – Corporate Planning	SUBSTANTIAL
People Strategy	SUBSTANTIAL
Business Continuity	SUBSTANTIAL
Health and Safety Management	REASONABLE
Key Financial Controls:	
Banking and Cash Management	SUBSTANTIAL
Budgetary Control	SUBSTANTIAL
Purchasing and Payments	SUBSTANTIAL

An advisory review was also carried out into risk management, which followed risk workshops held with both Management Team and with Audit & Risk Assurance Committee and Advisory Panel members.

In addition, an audit of previous internal audit recommendations was undertaken. This found that all previous recommendations had been implemented. The internal auditors' Annual Report for 2023/24 stated: 'TIAA is satisfied that, for the areas reviewed during the year, Public Services Ombudsman for Wales has reasonable and effective risk management, control and governance processes in place.' These findings also provide assurance that the arrangements in place are reducing the office's exposure to risk.

The Committee noted the thoroughness of the audit work, practicality of recommendations and the open and positive response of management to the recommendations made.

In respect of the previous financial year, the Committee considered the 2022/23 Annual Report and Accounts that included the Governance Statement of the office for 2022/23, together with the External Audit of Financial Statements Report and Management Letter. An unqualified opinion was given, following external audit work undertaken by Audit Wales, on the 2022/23 Accounts. There were no recommendations arising from the Audit.



Both Internal and External Auditors have the right to raise any matter through an open access policy to the Chair and, through that right, to bring any matter to the attention of the Committee. The Committee, by reviewing the programmes of both the External and the Internal Auditors, ensured that they were co-operating effectively with each other. The quality of the audit work has been evaluated during the year through consideration of the audit reports and recommendations and dialogue at meetings between Committee Members and the Auditors.

Before every formal Committee meeting, the Committee meets privately with representatives of the External and Internal Auditors. In addition, to ensure that appropriate matters can be raised in confidence, the Chair of the Committee holds an annual meeting with representatives of the External and Internal Auditors. Such a meeting was held on 1 May 2024.

(F) Monitoring processes

At each meeting during 2023/24, the Committee received a report on progress made on the implementation of External and Internal Audit recommendations. Committee members were satisfied that all the recommendations made had been implemented or would be implemented, in accordance with agreed timescales.

(G) Annual Review and Assessment

This annual review is undertaken to evaluate the work of the Committee and to ensure that the work of the Audit & Risk Assurance Committee continues to comply with the Good Practice Principles set out in the HM Treasury Audit Committee Handbook. To assist the Committee in determining that it was complying with good practice, each member was invited to complete the National Audit Office's 'The Audit Committee self-assessment checklist'. Comments received from Committee members were considered in preparing the Annual Review for 2023/24.

The ARAC Annual Review concluded that it had received comprehensive assurances and information that was reliable and sufficient to enable it to carry out its responsibilities. Those assurances demonstrated a satisfactory overall internal control environment, financial reporting and the management of risk and of the quality of both the Internal and External Audit work undertaken.

The Committee was therefore able to provide assurances to support me effectively, as Public Services Ombudsman for Wales, to comply with my Accounting Officer responsibilities. The Committee provided evidence to assist in the preparation of this Annual Governance Statement.

Corporate Governance arrangements: Advisory Panel

The Advisory Panel is a non-statutory forum whose main role is to provide support and advice to me in providing leadership and setting the strategic objectives of the office of the Public Services Ombudsman for Wales. The Panel also brings an external perspective to assist in the development of policy and practice. The Panel's work during the year included advising on the development of the new Strategic Plan and the Estimate for 2024/25, reviewing the organisation's performance and assessing the impact of the Ombudsman's proactive powers.

There have been no changes to the membership of the Panel in 2023/24.

The Advisory Panel has an advisory role and has no role or remit in relation to operational or casework decisions made by the PSOW.

Reporting of Personal Data Related Incidents

All incidents involving personal data are reported to the Audit & Risk Assurance Committee, regardless of whether PSOW is at fault. Where PSOW is at fault, guidance issued by the Information Commissioner's Office (ICO) is considered to establish whether it is necessary to report the incident to that office. In 2023/24, there was 1 incident which was reported to the ICO, involving data sent by PSOW but not received by the intended recipient and we are still waiting the ICO's outcome.

The Risk and Control Framework

As required by 'Managing Welsh Public Money', I am supported by a professionally qualified Financial Accountant who carries out the responsibilities of a Finance Director as set out in that document.

Risk management and the risk register are standing agenda items for the Audit & Risk Assurance Committee and the approach to risk management, together with risk appetite, is reviewed periodically.



I am continuing to enhance the robust internal control arrangements to ensure that the office has the capacity to identify, assess and manage risk effectively.

In undertaking this responsibility during the year ended 31 March 2024, I am supported by a Chief Operating Officer to whom some of my responsibilities have been delegated.

I am satisfied that the systems in place identify potential risks at an early stage and enable, through active management, the appropriate action to be taken to minimise any adverse impact on the office.

The Audit & Risk Assurance Committee receives regular reports on the risks relating to this office, explores the office's approach to those risks and provides comments and suggestions on current and emerging risks.

Risks are considered across a number of key areas or risk themes. These are:

- Casework
- Staffing
- Technology
- Financial
- Reputational
- Governance and Legal
- Data & Information Management

Key risks and issues

The last Annual Governance Statement (2022/23) highlighted two high risks. The first of these related to the impact of increasing numbers of complaints without a corresponding increase in resources. Progress in closing older complaint investigations and funding for an additional member of staff in 2024/25 mean that this risk has reduced and is now moderate/amber.

The other high risk was that future financial settlements might be insufficient to meet Strategic Plan priorities. Financial pressures continue, for the office and wider public services, but the 2024/25 estimate submission was approved and work is ongoing to secure efficiencies to mitigate financial pressures. The risk is currently moderate/amber.

The organisation, and the Audit & Risk Assurance Committee, have continued to recognise and work to reduce the risk of cyber-attack, malware, virus or ransomware on our IT systems. Whilst that risk remains, considerable work has been done during the year to reduce the likelihood and impact of a successful attack. This risk requires constant and active management, but the risk rating at the year-end was moderate/amber level.

However, events at the turn of the year (March/April 2024), involving the inappropriate social media posts of a (now former) member of staff, have had a significant impact on the reputation of the office and on staff. As the risks have materialised, they are issues with high/red rating. At the end of 2023/24, the two issues were:

Risk horizon	Risk and risk impact:	Risk management and mitigation:	Residual risk:
<p>Reputation</p>	<p>As a result of social media posts made by a (now former) member of staff and the negative media this has caused, there is a risk of a loss of public trust and confidence in PSOW and our ability to provide a service to complainants.</p> <p>Impact: significant damage to the perception of PSOW, with concerns that PSOW may not be impartial.</p>	<p>Extensive engagement with key stakeholders (including Finance Committee, key politicians, Monitoring Officers, Standards Committee chairs and Welsh Government), independent review into our Code of Conduct processes and past decisions.</p>	<p>The reputational damage caused by this incident means that the residual risk is considered RED.</p>



Risk horizon	Risk and risk impact:	Risk management and mitigation:	Residual risk:
Staffing	<p>As a result of the social media incident, there is a risk that this negatively impacts on the morale and wellbeing of current staff and that the repercussions will impact on their ability to perform their role.</p> <p>Impact: staff feeling under increased pressure, coming under increased scrutiny from complainants (sometimes publicly) and some staff feeling like their jobs are at risk as a result of comments made about PSOW.</p>	<p>Wellbeing is discussed with staff at all team meetings and all staff have access to trained Mental Health First Aiders. Staff are encouraged to debrief with their line manager and to report instances of negative complainant behaviour so that this can be addressed.</p>	<p>We will continue to protect and look after our staff, but the residual risk is considered RED.</p>



Risk Assurance Framework Arrangements

PSOW Framework			
<ul style="list-style-type: none"> • Strategic objectives from Corporate Plan <ul style="list-style-type: none"> • Work programme • Risk management • Anti-fraud policy • Governance framework • Policies, procedures and code of conduct 			
Advisory Panel	Accounting Officer	Audit & Risk Assurance Committee	Management team
Provides support and advice on vision, values and purposes as well as strategic direction and planning.	Governance. Decision making. Financial management. Risk management.	Reviews and monitors governance, risks and internal controls. Agrees annual governance statement.	3-year Corporate Plan. Operational Plan. Performance monitoring. Corporate policies. Risk management. Value for money.
Central Guidance		PSOW policies, plans and risk register	Annual Governance Statement
HM Treasury. FReM. Managing Welsh Public Money. Public Sector Internal Audit Standards.			
Assurance Map Components			
1st line of defence Strategic and operational delivery reporting. KPI reporting. Financial controls / Budget monitoring.	2nd line of defence Risk register reviews. Quality assurance. Information security assurance.	3rd line of defence Internal audit reports. Finance Manager spot checks.	
Other assurances External audit. Scrutiny by Finance Committee.			



I and my Management Team will continue to work to manage and minimise the risks in these key areas in the year ahead and the risks will be considered at each meeting of the Audit & Risk Assurance Committee.

Budgeting Process

As Accounting Officer, I ensure that I have in place arrangements for tight control of the public money entrusted to me. The Management Team receives a monthly budget monitoring report setting out details of actual, against budgeted expenditure. Any unexpected expenditure issues that may arise during the year are considered so that appropriate action can be taken to remain within the budgeted expenditure where possible or to seek additional resources where cost pressures cannot be contained.

In producing the PSOW's financial estimate for 2024/25, a paper setting out initial budget criteria was considered by the Advisory Panel in July 2023. Overall, the submission sought an increase of 8.3% to reflect pay and price increases and investment in our strategic priorities. Following Finance Committee scrutiny in October, the Committee supported the submission and this was included in the Wales Annual Budget Motion in March 2024.

Conclusion

I am satisfied that there were no significant weaknesses in the office's system of internal controls in 2023/24 which would affect the achievement of the office's policies, aims and objectives and that robust Corporate Governance is in operation with no breaches of the Corporate Governance Code.

Michelle Morris

Accounting Officer

Public Services Ombudsman for Wales

23 July 2024

Remuneration Report

Public Services Ombudsman for Wales

The Government of Wales Act 2006 provides for my remuneration and associated national insurance and pension costs to be met from the Welsh Consolidated Fund, rather than being paid directly. These costs are included, for transparency, in the remuneration report.

Remuneration

The following sections provide details of the remuneration and pension interest of the most senior management of the Office: Michelle Morris - Ombudsman, Chris Vinestock - Chief Operating Officer & Director of Improvement and Katrin Shaw - Chief Legal Adviser & Director of Investigations.

Single Total Figure of Remuneration					
2023/24					
Officials	Salary (£'000)	Bonus payments (£'000)	Benefits in Kind (to nearest £100)	Pension benefits (to nearest £1,000)	Total (£'000)
Michelle Morris	150-155	-	-	58,000	210-215
Chris Vinestock	110-115	-	-	44,000	155-160
Katrin Shaw	100-105	-	-	58,000	160-165

Single Total Figure of Remuneration					
2022/23					
Officials	Salary (£'000)	Bonus payments (£'000)	Benefits in Kind (to nearest £100)	Pension benefits (to nearest £1,000)	Total (£'000)
Michelle Morris	145-150	-	-	57,000	205-210
Chris Vinestock	105-110	-	-	-47,000	60-65
Katrin Shaw	90-95	-	-	-12,000	80-85

Salary

Salary includes gross salary, overtime and any other allowances to the extent that they are subject to UK taxation.

Benefits in kind

The monetary value of benefits in kind, covers any expenditure paid by the PSOW and treated by HM Revenue and Customs as a taxable emolument. There was no such expenditure.

Bonuses

No bonus was paid during the year to me or to any staff within my office, as no bonus scheme is in operation.

Pay multiples

The banded remuneration of the highest-paid director in the financial year 2023/24 was £150-£155,000 (2022/23 = £145-£150,000).

The following section provide details of the required fair pay disclosures:

	2023/24	2022/23
25 th percentile remuneration	£36,648	£35,069
25 th percentile pay ratio	4.2	4.2
50 th percentile remuneration	£48,474	£46,551
50 th percentile pay ratio	3.1	3.2
75 th percentile remuneration	£50,799	£50,799
75 th percentile pay ratio	3.0	2.9



In 2023/24, no employee received remuneration in excess of the highest paid director (2022/23 = none).

Remuneration ranged from £26,000 to £155,000 (2022/23 = £23,000-£150,000). Total remuneration includes salary, non-consolidated performance-related pay and benefits-in-kind. It does not include severance payments, temporary payments, employer pension contributions and the cash equivalent transfer value of pensions.

Pay awards

Staff pay is linked to the pay awards made to employees within Local Government in England and Wales. In line with that procedure, a pay award of £1,925 for salaries less than £49,950, or 3.88% for those above, was awarded to staff in November 2023 backdated to April 2023.

Pensions

Pension entitlements for the persons shown earlier in the report are detailed on the next page.

Pension Liabilities

The pension obligations to present and past employees are discharged through the Principal Civil Service Pension Scheme (PCSPS) and the pensions paid directly to former Commissioners or their dependants.

Name	As at 31/03/24				As at 31/03/23
	Accrued pension at pension age and related lump sum	Real increase in pension and related lump sum at pension age	CETV	Real Increase in CETV	CETV
	£000	£000	£000	£000	£000
Michelle Morris	25-30	2.5-5	405	44	312
Chris Vinestock	25-30	2.5-5	430	33	346
Katrin Shaw	45-50	2.5-5	950	46	826

CETV refers to the Cash Equivalent Transfer Value, and further information can be found in the Pensions Disclosures.



Sickness

During the year, an average of 7.7 days per employee were lost through sickness, compared with 8.7 days in 2022/23. This is the equivalent of 3.1% (3.3% in 2022/23) of total possible workdays. This reflects typical short-term absences and a small number of staff incurring long-term sickness absence.

Reporting of Civil Service and other compensation schemes

No exit packages were paid in 2023/24 (2022/23 Nil).

Advisory Panel and Audit & Risk Assurance Committee

The following non-pensionable payments, based on a daily rate, were made to members of the Advisory Panel and Audit & Risk Assurance Committee:

	2023/24	2022/23
Jane Martin	3,350	2,500
Ian Williams	3,050	3,875
Mike Usher	2,950	2,475
John McSherry	1,900	1,550
Joanest Varney-Jackson	1,800	1,050
Carys Evans	1,400	2,050
Bernie Davies	1,400	500
Nia Roberts	1,400	500
Dave Tosh	1,100	500
Sue Phelps	1,100	500
Trevor Coxon	-	350

These figures also include payments made to members for attendance at risk workshops and training sessions during 2023/24. Mike Usher also assisted with Finance Manager recruitment in June 2023.

For staff reporting issues see the Annual Equality Report.

Michelle Morris

Accounting Officer

Public Services Ombudsman for Wales

23 July 2024



Welsh Parliament Accountability and Audit Report

In addition to the primary statements prepared under International Financial Reporting Standards (IFRS), the Government Financial Reporting Manual (FRM) requires the Ombudsman to prepare a statement and supporting notes to show resource out-turn against the Supply Estimate presented to the Senedd, in respect of each request for resource.

Summary of Net Resource Out-turn for year ending 31 March 2024

	Revised Estimate			Out-turn				2022/23
	Gross Expenditure	Income	Net Total	Gross Expenditure	Income	Net Total	Net total compared to estimate	Net Total
	£000	£000	£000	£000	£000	£000	£000	£000
Revenue	5,888	(38)	5,850	5,774	(38)	5,736	114	5,341
Capital	5	-	5	-	-	-	5	-
Resource DEL	5,893	(38)	5,855	5,774	(38)	5,736	119	5,341
Total Resources	5,893	(38)	5,855	5,774	(38)	5,736	119	5,341
Net Cash Requirement	5,784	(38)	5,746	5,767	(38)	5,729	17	5,308

The Ombudsman’s salary is paid directly from the Welsh Consolidated Fund with only the reimbursement of actual business expenses included in the PSOW accounts.

Reconciliation of Net Resource to Net Cash Requirements

for the year ended 31 March 2024

	Note	2023/24			2022/23
		Revised Estimate	Net Total Out-turn	Net total out-turn compared to revised estimate	Out-turn
		£000	£000	£000	£000
Net Revenue	2-4	5,850	5,736	114	5,341
Net Capital	6	5	-	5	-
Total Resources		5,855	5,736	119	5,341
Depreciation	6	(292)	(233)	(59)	(234)
Movements in working capital	6-9	163	214	(51)	184
Movements in provisions	10	20	12	8	17
Net cash requirement		5,746	5,729	17	5,308

Michelle Morris

Accounting Officer

Public Services Ombudsman for Wales

23 July 2024



The Certificate and Report of the Auditor General for Wales to the Senedd

Opinion on financial statements

I certify that I have audited the financial statements of the Public Services Ombudsman for Wales for the year ended 31 March 2024 under paragraph 18 (2) of Schedule 1 of the Public Services Ombudsman (Wales) Act 2019.

The financial statements comprise the Statement of Comprehensive Net Expenditure, Statement of Financial Position, Statement of Cash Flows, Statement of Changes in Taxpayers Equity and related notes, including the significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards as interpreted and adapted by HM Treasury's Financial Reporting Manual.

In my opinion, in all material respects, the financial statements:

- give a true and fair view of the state of the Public Services Ombudsman for Wales' affairs as at 31 March 2024 and of its net operating cost for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards as interpreted and adapted by HM Treasury's Financial Reporting Manual and
- have been properly prepared in accordance with HM Treasury directions issued under the Public Services Ombudsman (Wales) Act 2019.

Opinion on regularity

In my opinion, in all material respects:

- the Statement of Resource Outturn properly presents the outturn against the sums authorised by the Senedd for the year ended 31 March 2024 and shows that those totals have not been exceeded; and
- the income and expenditure in the financial statements have been applied to the purposes intended by the Senedd and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Opinion on arrangements for the economic, efficient and effective use of resources

In my opinion, the Public Services Ombudsman for Wales has made proper arrangements for securing economy, efficiency, and effectiveness in its use of resources throughout the financial year ended 31 March 2024.

Basis of opinions

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my certificate.

My staff and I are independent of the body in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinions.



Conclusions relating to going concern

In auditing the financial statements, I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the body's ability to continue to adopt the going concern basis of accounting for a period of at least 12 months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

The going concern basis of accounting for the Public Services Ombudsman for Wales is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the future.

Other information

The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. The Accounting Officer is responsible for the other information in the annual report.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon. My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed,

I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion, the part of the Remuneration Report to be audited has been properly prepared in accordance with HM Treasury directions made under paragraph 17(1) of Schedule 1 of the Public Services Ombudsman (Wales) Act 2019.

In my opinion, based on the work undertaken in the course of my audit:

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with HM Treasury directions made under paragraph 17(1) of Schedule 1 of the Public Services Ombudsman (Wales) Act 2019; and
- the information given in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of the body and its environment obtained in the course of the audit, I have not identified material misstatements in the Annual Report.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- I have not received all of the information and explanations I require for my audit;
- proper accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my team;
- the financial statements and the audited part of the Accountability Report are not in agreement with the accounting records and returns;
- information specified by HM Treasury regarding the remuneration and other transactions is not disclosed;



- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual are not made or parts of the Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for:

- maintaining proper accounting records;
- the preparation of the financial statements and Annual Report in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- ensuring that the Annual Report and financial statements as a whole are fair, balanced and understandable;
- ensuring the regularity of financial transactions;
- internal controls as the Accounting Officer determines is necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- assessing the body's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by the Public Services Ombudsman for Wales will not continue to be provided in the future; and
- for putting in place proper arrangements for the economic, efficient and effective use of the Public Services Ombudsman for Wales resources.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to examine, certify and report on the financial statements in accordance with paragraph 18 (2) of Schedule 1 of the Public Services Ombudsman (Wales) Act 2019.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

My procedures included the following:

- enquiring of management, and those charged with governance, including obtaining and reviewing supporting documentation relating to the Public Services Ombudsman for Wales' policies and procedures concerned with: identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance.
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud.
- the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition, expenditure recognition, and posting of unusual journals.
- obtaining an understanding of the Public Services Ombudsman for Wales' framework of authority, as well as other legal and regulatory frameworks that the Public Services Ombudsman for Wales operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the Public Services Ombudsman for Wales.
- obtaining an understanding of related party relationships.



In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management about actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance and the Advisory Board; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all audit team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the Public Services Ombudsman for Wales' controls, and the nature, timing and extent of the audit procedures performed.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Other auditor's responsibilities

I am required to obtain evidence sufficient to give:

- reasonable assurance that the Statement of Resource Outturn properly presents the outturn against the sums authorised by the Senedd for the year ended 31 March 2024 and shows that those totals have not been exceeded;
- reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by the Senedd and the financial transactions recorded in the financial statements conform to the authorities which govern them; and
- assurance that the Accounting Officer has made appropriate arrangements for the economic, efficient and effective use of the Public Services Ombudsman for Wales resources.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report

I have no observations to make on these financial statements.

Ann-Marie Harkin

**Executive Director Audit Services for and
on behalf of the Auditor General**

**1 Capital Quarter
Tyndall Street
Cardiff, CF10 4BZ**

25 July 2024



Annual Accounts 2023/24



Statement of Comprehensive Net Expenditure

for the year ended 31 March 2024

Administration costs	Note	2023/24	2022/23
		£000	£000
Staff costs	2	4,440	4,168
Other non-staff administration costs	3	1,334	1,192
Gross Administration Costs		5,774	5,360
Operating Income	4	(38)	(19)
Net Administration Costs		5,736	5,341
Net Revenue Out-turn		5,736	5,341

Notes 1 to 18 form part of these statements.

All activities commenced in the period are continuing.



Statement of Financial Position

for the year ended 31 March 2024

	Note	31 March 2024	31 March 2023
		£000	£000
Non-current assets			
Property, Plant and Equipment	6a	77	113
Intangible assets	6b	66	93
Right of use asset	6c	231	401
Receivables due after more than 1 year	7	-	-
		374	607
Current Assets			
Trade and other receivables	7	325	280
Cash and cash equivalents	8	17	1
		342	281
Total assets		716	888
Current liabilities			
Trade and other payables	9	(446)	(594)
Provisions less than 1 year	10	(49)	(49)
		(495)	(643)
Total assets less current liabilities		221	245
Non-current liabilities			
Trade and other payables due after 1 year	9	(1)	(6)
Provisions greater than 1 year	10	(449)	(461)
		(450)	(467)
Total assets less liabilities		(229)	(222)
General Fund		(229)	(222)

Notes 1 to 18 and the Pension Disclosures form part of these statements.
The financial statements were approved by the Accounting Officer and
authorised for issue on 23 July 2024 by:

Michelle Morris

Accounting Officer

Public Services Ombudsman for Wales

23 July 2024



Statement of Cash Flows

for the year ended 31 March 2024

	Note	2023/24	2022/23
		£000	£000
Net cash outflow from operating activities	11	(5,729)	(5,308)
Net cash outflow from investing activities	12	-	-
Financing from Welsh Parliament	13	5,746	5,309
Prior year cash balance repaid		(1)	(120)
Net increase (decrease) in cash equivalents after adjustments for payments to Welsh Consolidated Fund		16	(119)
Cash and cash equivalents at beginning of period		1	120
Cash and cash equivalents at end of period		17	1

Notes 1 to 18 form part of these statements.



Statement of Changes in Taxpayers' Equity

for the year ended 31 March 2024

General Fund	2023/24	2022/23
	£000	£000
Balance as at 1 April	(222)	(189)
Net operating costs	(5,736)	(5,341)
Funding by Welsh Parliament	5,746	5,309
Due back to Welsh Consolidated Fund:		
Cash	(17)	(1)
Non-operating income	-	-
Total recognised income and expense for year	(7)	(33)
Balance as at 31 March	(229)	(222)

Notes 1 to 18 and the Pension Disclosures form part of these statements.



Notes to the Financial Statements

1. Statement of Accounting Policies

These financial statements have been prepared in accordance with the Government Financial Reporting Manual (the FReM) issued by HM Treasury which is in force for 2023/24. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adopted or interpreted for the public sector. Where the FReM permits a choice of accounting policy, the accounting policy which has been judged to be most appropriate to the particular circumstances of the PSOW for the purpose of giving a true and fair view has been selected. The particular accounting policies adopted by the PSOW are described below. They have been applied consistently in dealing with items considered material in relation to the accounts.

1.1. Accounting Convention

These accounts have been prepared under the historical cost convention modified to account for any revaluation of fixed assets, where material to their value to the business, by reference to their current costs.

1.2. Property, Plant and Equipment

Expenditure on property, plant and equipment is capitalised where the purchases are expected to have a useful life extending over more than 1 year and the cost exceeds £5k. Assets costing less than £5k may be capitalised providing they are capital in nature and are part of a larger scheme that is, in total, more than £5k. Assets are shown at cost less an allowance for depreciation. On initial recognition, fixed assets are measured at cost, including such costs as installation, which are directly attributable to bringing them into working condition for their intended use. In reviewing the costs of fixed assets previously acquired and the prices paid for new acquisitions during the year there is no material difference between the historic net book value of the assets and their replacement cost less depreciation.

1.3. Depreciation

Assets are depreciated at rates calculated to write them down to zero or, if applicable, estimated residual value on a straight-line basis over their estimated useful life following an initial charge of a full month's depreciation in the month of purchase. Assets in the course of construction are depreciated from the month in which the asset is brought into use.

Except where otherwise noted asset lives are assumed to be the following:

Plant	10 years or the lease term if shorter
Furniture and other fittings	10 years or in the case of fittings, the lease term
Computers and other equipment	3 to 10 years

1.4. Intangible assets

Purchased computer software licences and developed software are capitalised where expenditure of £5k or more is incurred, and the useful life is more than 1 year. Intangible assets costing less than £5k may be capitalised providing they are capital in nature and are part of a larger scheme that is, in total, more than £5k. Intangible assets are reviewed annually for impairment and are stated at amortised historic cost. Software licences are amortised over the shorter of the term of the licence and the useful economic life of the computer equipment on which they are installed. This would usually be from 3 to 5 years. Developed software is amortised over the estimated useful life. In the year of acquisition, amortisation charges commence when the asset is brought into use.

1.5. Value Added Tax

The PSOW is not registered for VAT. Expenditure is therefore disclosed gross of VAT.



1.6. Pensions

The pension obligations to present and past employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS) and by direct payment to previous Commissioners for Local Administration in Wales or any surviving beneficiaries. Full details are disclosed in the Pension Disclosures at the end of the Financial Statements. The costs of providing these pensions are charged through the Statement of Comprehensive Net Expenditure.

1.7. Early departure costs

Where the PSOW is required to meet the additional cost of benefits beyond the normal benefits payable by the appropriate pension scheme in respect of employees who retire early, these costs are charged to the Statement of Comprehensive Net Expenditure in full when the liability arises.

1.8. Leases

Expenditure on leased property and equipment is charged in the period to which it relates. IFRS 16 was implemented from 1 April 2022.

1.9. Staff Costs

In line with IAS 19, short-term employee benefits, such as wages, salaries and social security contributions, paid annual leave and paid sick leave, as well as non-monetary benefits for current employees, are recognised when an employee has rendered services in exchange for those benefits.

1.10. Provisions

These are sums which are of uncertain timing or amount at the balance sheet date and represent the best estimate of the expenditure required to settle the obligations. Where the effect of the time value of money is significant, the estimated risk adjusted cash flows are discounted using the recommended HM Treasury discount rate.

1.11. Income

All income is recognised in the Statement of Comprehensive Net Expenditure in accordance with IAS 18 and IFRS 15.

1.12. Impact of Standards Not Yet Effective

None.

2. Staff Costs and Numbers

The aggregate employment costs were as follows:

	2023/24	2022/23
	£000	£000
Permanent staff:		
Salaries	3,168	2,999
Social Security costs	325	314
Pension costs	865	809
Pension fund charges	38	28
Total	4,396	4,150
Temporary staff:		
Salaries	43	18
Social Security costs	1	-
Pension costs	-	-
Total	44	18
Total Staff Costs	4,440	4,168

The average number of whole-time equivalent persons employed (including senior management and fixed term appointments) during the year was as follows:



	2023/24	2022/23
	No.	No.
Directors	2	2
Communications and PA	3	3
Complaints and Investigations	50	50
Improvement Team	6	6
Support	8	8
Total	69	69

3. Non-Staff Administration Costs

	2023/24	2022/23
	£000	£000
Rent	28	28
External Audit fee	21	17
Legal and professional fees	180	243
Other property costs	212	187
IFRS 16 interest charge	4	5
Computer services	453	284
Office costs	94	104
Travel and Subsistence	16	12
Training and Recruitment	40	42
Communications	53	36
Sub-total	1,101	958
Depreciation	206	207
Amortisation charge	27	27
Loss on disposal	-	-
Sub-total	233	234
Total Other Administration Costs	1,334	1,192



4. Operating Income

	2023/24	2022/23
	£000	£000
Seconded staff	(37)	(18)
Other – Future Generations Commissioner	(1)	(1)
Total	(38)	(19)

5. Operating Costs by Strategic Aims

The costs of providing a first-class Ombudsman service to Wales are set out below. We have 4 strategic aims for delivering our mission and the allocation of costs to each of the aims has been based on the following:

- an estimate of the staff time spent on the objective
- direct allocation of expenditure where applicable
- apportionment of other costs pro rata to the estimate of staff time.

	2023/24	
	£000	%
Strategic Aim 1: Delivering justice with a positive impact for people and public services	4,295	74.9
Strategic Aim 2: Increasing accessibility and inclusion	233	4.1
Strategic Aim 3: Expanding our proactive improvement work	1,023	17.8
Strategic Aim 4: Ensuring that we are a healthy, efficient and accountable organisation	185	3.2
Net Resources Out-turn	5,736	100.0



Our new Strategic Plan was implemented from 1 April 2023. Therefore, no prior year comparison is included as this was under a different Strategic Plan which contained different Strategic Aims, so a direct comparison is not possible.

The Aims analysis excludes capital expenditure.

6a. Property, Plant and Equipment

2023/24	Plant	Computers and other equipment	Furniture and other fittings	Surplus assets	Total
	£000	£000	£000	£000	£000
Cost or valuation at 1 April	156	147	353	137	793
Additions	-	-	-	-	-
Disposals	-	-	-	(137)	(137)
At 31 March	156	147	353	-	656
Depreciation as at 1 April	(156)	(97)	(290)	(137)	(680)
Charged in the year	-	(18)	(18)	-	(36)
Disposals	-	-	-	137	137
At 31 March	(156)	(115)	(308)	-	(579)
Carrying amount as at 31 March 2024	-	32	45	-	77
Carrying amount as at 31 March 2023	-	50	63	-	113

2022/23	Plant	Computers and other equipment	Furniture and other fittings	Surplus Assets	Total
	£000	£000	£000	£000	£000
Cost or valuation at 1 April	156	240	442	-	838
Additions	-	-	-	-	-
Reclassifications	-	(48)	(89)	137	-
Disposals	-	(45)	-	-	(45)
At 31 March	156	147	353	137	793
Depreciation as at 1 April	(156)	(171)	(361)	-	(688)
Charged in the year	-	(19)	(18)	-	(37)
Reclassifications	-	48	89	(137)	-
Disposals	-	45	-	-	45
At 31 March	(156)	(97)	(290)	(137)	(680)
Carrying amount as at 31 March 2023	-	50	63	-	113
Carrying amount as at 31 March 2022	-	69	81	-	150

6b. Intangible Assets

2023/24	Information Technology	Software Licences	Total
	£000	£000	£000
Cost or valuation at 1 April	518	52	570
Additions	-	-	-
Disposals	-	-	-
At 31 March	518	52	570
Amortisation as at 1 April	(425)	(52)	(477)
Amortisation charged in the year	(27)	-	(27)
Disposals	-	-	-
At 31 March	(452)	(52)	(504)
Carrying Value as at 31 March 2024	66	-	66
Carrying Value as at 31 March 2023	93	-	93



2022/23	Information Technology	Software Licences	Total
	£000	£000	£000
Cost or valuation at 1 April	518	52	570
Additions	-	-	-
Disposals	-	-	-
At 31 March	518	52	570
Amortisation as at 1 April	(398)	(52)	(450)
Amortisation charged in the year	(27)	-	(27)
Disposals	-	-	-
At 31 March	(425)	(52)	(477)
Carrying Value as at 31 March 2023	93	-	93
Carrying Value as at 31 March 2022	120	-	120

In the opinion of the Public Services Ombudsman for Wales there is no material difference between the net book value of assets at current values and at their historic cost.

6c. Right of Use Assets

2023/24	IFRS 16 right of use asset	Total
	£000	£000
Cost or valuation at 1 April	571	571
Additions	-	-
Disposals	-	-
At 31 March	571	571
Depreciation as at 1 April	(170)	(170)
Charged in the year	(170)	(170)
Disposals	-	-
At 31 March	(340)	(340)
Carrying amount as at 31 March 2024	231	231
Carrying amount as at 31 March 2023	401	401

2022/23	IFRS 16 right of use asset	Total
	£000	£000
Cost or valuation at 1 April	-	-
Additions	571	571
Disposals	-	-
At 31 March	571	571
Depreciation as at 1 April	-	-
Charged in the year	(170)	(170)
Disposals	-	-
At 31 March	(170)	(170)
Carrying amount as at 31 March 2023	401	401
Carrying amount as at 31 March 2022	-	-

7. Trade and other Receivables

	31 March 2024	31 March 2023
	£000	£000
Amounts falling due within 1 year		
Prepayments	288	280
Cash not drawn down	37	-
Trade debtors	-	-
Amounts falling due after more than 1 year		
Prepayments	-	-
Total	325	280



8. Cash and Cash Equivalents

Any bank balance held at the year-end must be returned to the Welsh Consolidated Fund. A figure of £17k (£1k in 2022/23) has been included within the accounts, being the net balance at the year-end on all the bank accounts operated by the Public Services Ombudsman for Wales, irrespective of whether the individual account is in debit or credit.

The year-end balance will be repaid to the Welsh Consolidated Fund in 2024/25 under the Government of Wales Act 2006.

9. Trade Payables and other Current Liabilities

	31 March 2024	31 March 2023
	£000	£000
Amounts falling due in 1 year		
Untaken annual leave	132	115
Deferred rent reduction	5	5
Welsh Consolidated Fund - unspent balances	17	1
Trade payables	6	8
IFRS 16 creditor	250	411
Accruals	36	54
	446	594
Amounts falling due in more than 1 year		
Deferred rent reduction	1	6
Total	447	600

10. Provisions for Liabilities and Charges

	2023/24				2022/23
	Pensions for Former Commissioners	Dilapidation Costs	Other Costs	Total	Total
	£000	£000	£000	£000	£000
Balance at 1 April	187	323	-	510	527
Additional provision required	41	-	-	41	43
Discount rate movement	(3)	-	-	(3)	(14)
Provisions utilised in the year	(50)	-	-	(50)	(46)
Balance at 31 March	175	323	-	498	510

Analysis of expected timings of payment of provisions:

	2023/24	2022/23
	£000	£000
Payable within 1 year	49	49
Payable within 2 to 5 years	449	461
Payable in more than 5 years	-	-
Balance at 31 March	498	510

Pension provisions are calculated based on the National Life Tables for England and Wales issued by the Office of National Statistics. Later year pension increases are in line with GDP deflator information issued by HM Treasury. The discount factor has been amended to 2.45% for the financial year (1.70% in 2022/23) in line with the guidance issued by the Treasury. Two surviving spouses of former Commissioners remain as a pension liability.



11. Reconciliation of Operating Cost to Operating Cash Flows

	Notes	2023/24	2022/23
		£000	£000
Net operating cost		(5,736)	(5,341)
Adjust for non-cash items	3	233	(337)
Decrease/ (Increase) in trade and other receivables	7	(45)	(25)
Increase/ (Decrease) in trade and other payables	9	(153)	293
Movement in provisions	10	(12)	(17)
Movement in cash repaid to Welsh Consolidated Fund	8	(16)	119
Net cash outflow from operating activities		(5,729)	(5,308)

12. Non-Current Asset Expenditure and Financial Investment

	2023/24	2022/23
	£000	£000
Purchases of property, plant and equipment	-	-
Proceeds of disposals of property, plant and equipment	-	-
Purchases of intangible assets	-	-
Net cash outflow from investing activities	-	-

13. Reconciliation of Net Cash Requirement to Increase/ (Decrease) in Cash

	2023/24	2022/23
	£000	£000
Net Cash Requirement:		
Operating activities	(5,729)	(5,308)
Capital Expenditure	-	-
	(5,729)	(5,308)
Financing from Welsh Parliament	5,746	5,309
Repayment to Welsh Consolidated Fund	(1)	(120)
Increase/ (Decrease) in cash and cash equivalents	16	(119)

14. Commitments under Operating Leases

	31 March 2024	31 March 2023
	£000	£000
Total future minimum operating lease payments on building:		
Payable within 1 year	220	198
Within 2 and 5 years	84	304
More than 5 years	-	-
	304	502
Other:		
Payable within 1 year	-	-
Within 2 and 5 years	-	-
More than 5 years	-	-
	-	-
Total of all operating leases	304	502



15. Contingent Liabilities

There are no claims or litigations that would affect the financial statements themselves. There is one Code of Conduct case where leave to appeal has been refused by the High Court, however an application to renew the application has been made. There is also one Employment Tribunal claim. The outcome of both matters are uncertain and the amount of any potential liability is unknown.

16. Capital Commitments

There were no capital commitments at 31 March 2024 (2022/23 = Nil).

17. Related Party Transactions

The PSOW is headed by the Public Services Ombudsman for Wales. The office was established under the Public Services Ombudsman (Wales) Act 2005 and is now governed by the Public Services Ombudsman (Wales) Act 2019. The Ombudsman is independent of Government and the funding arrangements of the Office are set up to ensure that the independence of the Office is secured. The PSOW has had a number of material transactions with the Welsh Parliament, HM Revenue and Customs (Tax and National Insurance) and the Cabinet Office (payments in respect of the Principal Civil Service Pension Scheme). During the year, no directors, key members of staff or their close relatives have undertaken any material transactions.

18. Events after the Reporting Period

On 22 April 2024, after the end of the reporting period, agreement was reached to surrender the lease on surplus office accommodation (first and second floors) and to enter a new lease for the remaining (ground floor) area. This has no effect on the financial position as at 31 March 2024 or these financial statements.



Pension Disclosures

One pension scheme was operated on behalf of current staff during 2023/24 – The Principal Civil Service Pension Scheme (PCSPS). There also remains an ongoing liability to meet the unfunded pensions of two dependant relatives of former Local Government Commissioners.

Civil Service Pensions

Pension benefits are provided through the Civil Service pension arrangements. From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or **alpha**, which provides benefits on a career average basis with a normal pension age equal to the member's State Pension Age (or 65 if higher). From that date all newly appointed civil servants and the majority of those already in service joined **alpha**. Prior to that date, civil servants participated in the Principal Civil Service Pension Scheme (PCSPS). The PCSPS has four sections: 3 providing benefits on a final salary basis (**classic**, **premium** or **classic plus**) with a normal pension age of 60; and one providing benefits on a whole career basis (**nuvos**) with a normal pension age of 65.

These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under **classic**, **premium**, **classic plus**, **nuvos** and **alpha** are increased annually in line with Pensions Increase legislation. Existing members of the PCSPS who were within 10 years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015. Those who were between 10 years and 13 years and 5 months from their normal pension age on 1 April 2012 switch into **alpha** sometime between 1 June 2015 and 1 February 2022. Because the Government plans to remove discrimination identified by the courts in the way that the 2015 pension reforms were introduced for some members, eligible members with relevant service between 1 April 2015 and 31 March 2022 may be entitled to different pension benefits in relation to that period (and this may affect the Cash Equivalent Transfer Values shown in this report – see below). All members who switch to **alpha** have their PCSPS benefits 'banked', with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave **alpha**. (The pension figures quoted for officials show pension earned in PCSPS or **alpha** – as appropriate.



Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes.) Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a defined contribution (money purchase) pension with an employer contribution (partnership pension account).

Employee contributions are salary-related and range between 4.6% and 8.05% for members of **classic**, **premium**, **classic plus**, **nuvos** and **alpha**. Benefits in classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. For **premium**, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike **classic**, there is no automatic lump sum. **Classic plus** is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per **classic** and benefits for service from October 2002 worked out as in **premium**. In **nuvos** a member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. Benefits in **alpha** build up in a similar way to **nuvos**, except that the accrual rate is 2.32%. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

The **partnership** pension account is an occupational defined contribution pension arrangement which is part of the Legal & General Mastertrust. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member). The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of **classic**, **premium** and **classic plus**, 65 for members of **nuvos**, and the higher of 65 or State Pension Age for members of **alpha**. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate.



Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes, but note that part of that pension may be payable from different ages.)

Further details about the Civil Service pension arrangements can be found at the website www.civilservicepensionscheme.org.uk

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Real Increase in CETV

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.



Compensation for loss of office

No staff left under Voluntary Exit or Voluntary Redundancy terms during the financial year.

Pensions for former Ombudsmen

With the agreement of the Secretary of State for Wales in 1991 and subsequent confirmation by Statutory Instrument 1993 No. 1367, Local Government Commissioners became eligible to join the Local Government Pension Scheme. However, the pensions of the three previous Local Government Commissioners remained the responsibility of the Public Services Ombudsman for Wales and are met through the Statement of Comprehensive Net Expenditure.

At 31 March 2024 two surviving spouses of former Commissioners continued to receive a pension.

Pensions are increased annually in line with other pension schemes within the Public Sector. The basis of calculations of the Annual Pensions Increase has been changed from using the annual movement based on the Retail Price Index (RPI) to the Consumer Price Index (CPI). The amount of the uplift applied is normally set out in the Statutory Instrument Pensions Increase (Review) Order. This uplift for 2023/24 was 6.7%.

The total payments during 2023/24 were £50k (£46k in 2022/23). The liabilities arising out of the obligation to finance these pensions together with any dependant pensions has been calculated to be £175k (£186k in 2022/23). The calculation to determine the overall liability has been carried out internally using life expectancy tables for males and females in Wales obtained from the website of the Government Actuary's Department. A discount rate, from PES (2023), of 2.45% (1.70% in 2022/23) has been applied in accordance with the Treasury guidance that all pension liabilities should be discounted.



Appendices

Some terms that we use in this report

<p>Case: any matter raised with us by a member of the public</p>	<p>Caseload: all cases that we handle.</p>
<p>Enquiry: a case where a member of the public contacts us with a general query but is not yet ready to complain – or we know straight away that we cannot look into their issue. If that happens, we try to offer advice or direct people to another organisation that can help.</p>	<p>Pre-assessment: a Code of Conduct case which is not a duly made complaint. People who complain to us about the Code of Conduct need to sign a declaration to say that the details of the complaint are true and they are aware that their details and the complaint will be shared with the member. If they do not sign that declaration, we close the case as preassessment.</p>
<p>Complaint: a case where we have had enough information to start looking into an issue to see what we can do. Once we consider the information received, we can reject a complaint, suggest how it can be resolved quickly ('early resolution') or start an investigation.</p>	
<p>Outcome: our decision after we have considered a complaint.</p>	
<p>Intervention: a complaint outcome when we decided that something has gone wrong with public services and things must be put right. This could be by making recommendations or agreeing early resolution or settlement of a complaint.</p>	<p>Referral: a type of outcome in Code of Conduct cases where we refer a matter to a Standards Committee or the Adjudication Panel for Wales. We generally do this for cases which involve serious breaches of the Code.</p>



The complaint journey

Check - we check that we can look into your complaint

What we will do

When you first contact us, we will check if we can look into your complaint. This includes checking that:

- we can look at the issue you are complaining about
- we can look into the organisation you are complaining about
- we have enough information about your complaint.

What can we decide?

If we can look into your complaint, we will let you know (see 'Assess').

If we cannot look into your issue further, we will let you know. We will do our best to suggest what you can do next. If we know of an organisation that could help, we will give you more information about it.



Assess – we take a closer look at your complaint to see if we can resolve it early or if we need to investigate

What we will do

We will look at your complaint in more detail. These are examples of the things we will think about:

- whether you complained to us within a year of knowing about the issue
- you have (or had) the option of taking legal action instead to put things right for you
- another organisation is better placed to deal with your complaint
- there are signs that the organisation potentially got things wrong and that it had a negative effect on you or the person you are complaining for
- there is more that the organisation could do to put things right for you.

What can we decide?

We are an independent decision-maker. To be fair to you and the organisation you have complained about, we will look at the evidence and the facts before we make a decision.

As we assess your complaint, we can:

- decide to investigate your complaint (see 'Investigate')
- arrange early action for the organisation to put things right for you. We will write to you to explain what we have arranged and we will close your complaint. We will make sure that the organisation did what it agreed to do (see 'Make sure').

If we can't do either of these things, we will write to you to tell you why. We close most of our complaints at 'Assess'. We only investigate about 1 in 10 of our complaints, usually when the issue is very complicated or if it may affect other people.

How long will it take?

On average, it takes us about 25 days to assess a complaint. It can sometimes take longer, for example, if we are arranging early action for the organisation to put things right.



Investigate – we investigate some or all of your concerns

What we will do

We will talk to you about the investigation process. We will then write to you to let you know when the investigation starts and confirm what we are investigating.

We'll gather all the information we need, including from you and the organisation you have complained about. We will also often ask for advice from professional advisors. We will then make our decision on your complaint.

What can we decide?

As we investigate your complaint, we can:

- complete the investigation and decide to uphold your complaint
- complete the investigation and decide not to uphold your complaint
- decide to settle the complaint where the organisation can take action to put things right
- decide to end the investigation early if we find that there is not enough evidence to show that the organisation has done something wrong

If we uphold your complaint, we will recommend what the organisation should do to put things right.

At the end of the investigation we will explain what we found and why we did or did not uphold your complaint.

Of the complaints we investigate each year, we uphold or settle around 7 out of 10.

How long will it take?

An investigation can take around 12 months from when you first complain to us. When the complaint is very complicated it can take us longer to investigate it. We will keep in touch with you during the investigation.



Follow up – we check that the organisation did what it promised to do

What we will do

When we arrange early action for the organisation to put things right for you, or we settle or uphold your complaint after we investigated, we will recommend what the organisation should do to put things right for you.

We will tell the organisation how much time it has to show us that it did what it promised to do.

If the organisation does not show us that it acted on our recommendations, we will take further action.

Our Key Performance Indicators

We check how well we perform against a set of measures called Key Performance Indicators (KPIs). Below we explain how we aimed to perform and how we did.⁷

Strategic Aim 1: Delivering justice with a positive impact for people and public services.	Target	2023/24	2022/23
Average case closure time (once we have all the information we need from complainant)			
Assessment (weeks)	6	4	3
Investigation (weeks)	53.4	64	58
Proportion of complaint reviews in which we find that our original decision was appropriate	95%	92%	95%
Proportion of Service Quality reviews satisfactory or better	75%	67%	n/a
Proportion of recommendations due during the year complied with in line with set target cases closed within 12 months	55%	67%	50%
Proportion of people satisfied with our service:			
All respondents	50%	40%	48%
Respondents satisfied with the outcome	95%	98%	95%

⁷ The tolerances for our RAG rating are: GREEN: >90%, AMBER: 70% - <90%, RED: 0-<70%.



Strategic Aim 2: Increasing accessibility and inclusion.	Target	2023/24	2022/23
Level of awareness of our service	45%	49%	43%
Complainant assessment of our accessibility ('easy to get in touch') :			
All respondents	90%	83%	87%
Respondents satisfied with the outcome	95%	86%	95%
Representation of target groups among our complainants (number of 6 target groups well-represented)	1	1	1
Proportion of our complaints that are in our jurisdiction and not premature	65%	59%	59%

Strategic Aim 3: Increasing the impact of our proactive improvement work.	Target	2023/24	2022/23
Proportion of complaints handled by public bodies and then escalated to us			
Health Boards	5%	5.5%	5%
Local Authorities	7%	7.1%	7%
Proportion of recommendations as a result of our extended and wider investigations due during the year complied with in line with set target.	n/a	100%	Not available
Proportion of Code of Conduct breaches that we referred upheld by Standards Committees or Adjudication Panel for Wales	90%	85%	96%



Strategic Aim 4 - Ensuring that we are a healthy, efficient and accountable organisation.	Target	2023/24	2022/23
Sickness absence levels (average number of days)	5.0	7.7	8.59
Proportion of staff who agree that we are a good place to work	87%	75%	87%
Level of variance on expenditure from that set out in our Estimate for the current year (less than)	3%	0.50%	0.01%
Proper management of our budget	Unqualified accounts and substantial assurance	Unqualified accounts and substantial assurance	Unqualified accounts and substantial assurance
Average cost per case for total casework closure	n/a	£432	£473
Average cost per complaint for total complaints closure	n/a	£1,289	£1,279
Our carbon footprint (kg CO2e produced)	60,000kg CO2e	62,630kg CO2e	Not available



Complaints data

New complaints - subjects

Subject	2023/24	2022/23
Health	36%	37%
Housing	18%	18%
Complaints Handling	17%	18%
Social Services	7%	7%
Planning and Building Control	5%	4%
Other	17%	15%
Grand Total	100%	100%

New complaints - sector

Sector	2023/24	2022/23
NHS Bodies (including Health Boards, NHS Trusts, Dentist, GPs, Opticians and Pharmacists)	1279	1288
Local Authorities (including County/ County Borough Councils and School Appeal Panels)	1127	1032
Social Housing sector (housing associations)	380	348
Welsh Government and its sponsored bodies	76	61
Community Councils	19	30
Other	24	31
All sectors	2905	2790

New complaints

Health Board	2023/24		2022/23	% change from 2022/23
	Number	Received per 1000 residents	Number	
Aneurin Bevan University Health Board	175	0.30	166	5%
Betsi Cadwaladr University Health Board	214	0.31	225	-5%
Cardiff and Vale University Health Board	150	0.30	137	9%
Cwm Taf Morgannwg University Health Board	109	0.25	134	-19%
Hywel Dda University Health Board	138	0.36	104	33%
Powys Teaching Health Board	21	0.16	23	-9%
Swansea Bay University Health Board	132	0.34	137	-4%
All Health Boards	939	0.30	926	1%



County and County Borough Council	2023/24		2022/23	% change from 2022/23
	Number	Received per 1000 residents	Number	
Blaenau Gwent County Borough	15	0.22	16	-6%
Bridgend County Borough	59	0.40	55	7%
Caerphilly County Borough	56	0.32	49	14%
Cardiff Council (Incl. Rent Smart	149	0.40	142	5%
Carmarthenshire County	69	0.36	53	30%
Ceredigion County Council	32	0.45	35	-9%
Conwy County Borough Council	36	0.31	31	16%
Denbighshire County Council	31	0.32	32	-3%
Flintshire County Council	51	0.33	65	-22%
Cyngor Gwynedd	38	0.32	36	6%
Isle of Anglesey County Council	38	0.55	25	52%
Merthyr Tydfil County Borough	12	0.20	17	-29%
Monmouthshire County Council	29	0.31	23	26%
Neath Port Talbot Council	35	0.25	39	-10%
Newport City Council	52	0.32	42	24%
Pembrokeshire County Council	40	0.32	44	-9%
Powys County Council	54	0.40	38	42%
Rhondda Cynon Taf County Borough Council (Incl South Wales Parking Group)	64	0.27	54	19%
Swansea Council	82	0.34	94	-13%
Torfaen County Borough Council	15	0.16	16	-6%
Vale of Glamorgan Council	77	0.58	49	57%
Wrexham County Borough	76	0.56	65	17%
All County and County Borough Councils	1110	0.35	1020	9%



Housing Association	2023/24	2022/23	% change from 2022/23
Adra	14	15	-7%
Aelwyd Housing Association Ltd	3	1	200%
Ateb Group Ltd	1	2	-50%
Barcud	8	4	100%
Bro Myrddin Housing Association	2	0	
Bron Afon Community Housing Ltd	23	17	35%
Cadwyn Housing Association Ltd	2	6	
Cardiff Community Housing Association	4	7	-43%
Caredig	5	3	
Cartrefi Conwy	10	6	67%
Charter Housing Association (part of the Pobl	8	7	14%
Clwyd Alyn Housing Association	13	10	30%
Coastal Housing Group Ltd	8	6	33%
Cynon Taf Community Housing Group	2	4	-50%
Grwp Cynefin	7	5	40%
Hafod Housing Association	55	62	-11%
Linc Cymru Housing Association	17	14	21%
Melin Homes Ltd	6	3	100%
Merthyr Tydfil Housing Association Ltd	6	1	500%
Merthyr Valleys Homes	7	8	-13%
Monmouthshire Housing Association	1	2	-50%
Newport City Homes	16	19	-16%
Newydd Housing Association	13	9	44%
Pobl	43	23	87%



Stori Wales	2	9	-78%
Taff Housing Association	4	4	0%
Tai Calon Community Housing	10	10	0%
Tai Tarian	10	21	-52%
Trivallis	26	13	100%
Ty Gwalia (part of Pobl Group)	2	3	-33%
United Welsh Housing Association	12	16	-25%
Valleys To Coast Housing	24	19	26%
Wales & West Housing Association	16	14	14%
All Housing Associations	380	343	11%

Interventions - Health Boards

Health Board	2023/24			2022/23		
	No. of	No. of		No. of	No. of	Intervention rate
Aneurin Bevan University Health Board	73	195	37%	48	160	30%
Betsi Cadwaladr University Health Board	81	256	32%	80	231	35%
Cardiff and Vale University Health Board	34	158	22%	30	129	23%
Cwm Taf Morgannwg University Health Board	39	129	30%	37	141	26%
Hywel Dda University Health Board	55	154	36%	41	100	41%
Powys Teaching Health Board	3	21	14%	5	23	22%
Swansea Bay University Health Board	41	141	29%	33	134	25%
All Health Boards	326	1054	31%	274	918	30%



Interventions - local councils

County and County Borough Council	2023/24			2022/23		
	No. of	No. of		No. of	No. of	
Blaenau Gwent County Borough Council	1	16	6%	0	16	0%
Bridgend County Borough Council	8	59	14%	5	57	9%
Caerphilly County Borough Council	3	48	6%	6	52	12%
Cardiff Council (Incl Rent Smart Wales)	28	147	19%	26	154	17%
Carmarthenshire County Council	8	60	13%	7	60	12%
Ceredigion County Council	7	32	22%	13	44	30%
Conwy County Borough Council	0	37	0%	5	35	14%
Denbighshire County Council	6	39	15%	5	33	15%
Flintshire County Council	2	33	6%	2	33	6%
Cyngor Gwynedd	8	57	14%	5	70	7%
Isle of Anglesey County Council	10	41	24%	5	25	20%
Merthyr Tydfil County Borough Council	3	14	21%	1	18	6%
Monmouthshire County Council	3	32	9%	1	22	5%
Neath Port Talbot Council	5	34	15%	7	38	18%
Newport City Council	5	51	10%	8	48	17%

Pembrokeshire County Council	7	38	18%	3	45	7%
Powys County Council	7	53	13%	8	44	18%
Rhondda Cynon Taf County Borough Council (Incl South Wales Parking Group)	11	63	17%	2	56	4%
Swansea Council	12	77	16%	10	99	10%
Torfaen County Borough Council	2	14	14%	1	17	6%
Vale of Glamorgan Council	15	71	21%	15	53	28%
Wrexham County Borough Council	7	79	9%	6	67	9%
All County and County Borough Councils	158	1095	14%	141	1086	13%



Interventions - Housing Associations

Housing Association	2023/24			2022/23		
	No. of	No. of		No. of	No. of	
Adra	0	13		2	16	13%
Aelwyd Housing Association Ltd	0	3		0	1	
Ateb Group Ltd	0	1		0	2	
Barcud	0	8		0	4	
Bro Myrddin Housing Association	1	2		0	0	
Bron Afon Community Housing Ltd	1	20	5%	2	18	11%
Cadwyn Housing Association Ltd	0	2	0%	1	6	17%
Cardiff Community Housing Association	1	3		0	8	
Caredig	0	4		0	3	
Cartrefi Conwy	1	10	10%	2	7	29%
Charter Housing Association (Part of the Pobl Group)	2	9		0	7	
Clwyd Alyn Housing Association	1	14		0	9	
Coastal Housing Group Ltd	0	5		0	6	
Cynon Taf Community Housing Group	0	2		0	4	
First Choice Housing Association Ltd	0	0		0	1	
Grwp Cynefin	0	8		0	5	
Hafod Housing Association	8	57	14%	15	59	25%



Linc Cymru Housing Association	3	17	18%	2	13	15%
Melin Homes Ltd	0	4		0	3	
Merthyr Tydfil Housing Association Ltd	0	5		0	1	
Merthyr Valleys Homes	0	7	0%	1	8	13%
Monmouthshire Housing Association	0	1		0	4	
Newport City Homes	1	18	6%	2	18	11%
Newydd Housing Association	1	9	11%	1	10	10%
North Wales Housing	0	0		1	5	20%
Pobl	4	42	10%	3	22	14%
Rhondda Housing Association Ltd	0	1		0	8	
Stori Wales (formerly Hafan Cymru)	0	2		0	1	
Taff Housing Association	1	4	25%	2	5	40%
Tai Calon Community Housing	2	10		0	9	
Tai Tarian	2	9		0	22	
Trivallis	2	26	8%	2	15	13%
Ty Gwalia (Part Of Pobl Group)	0	2		0	3	
United Welsh Housing Association	1	13	8%	2	18	11%
Valleys To Coast Housing	3	23	13%	5	17	29%
Wales & West Housing Association	1	15	7%	1	14	7%
Grand Total	36	352	10%	44	352	13%



Code of Conduct - new complaints

Body	2023/24	2022/23	% change from 2022/23
Town and Community Councils	176	158	11%
County and County Borough Councils	151	122	24%
National Parks	1	3	-67%
Fire Authorities	0	0	n/a
Police and Crime Commissioners and Panels	0	0	n/a
Total	328	283	16%

Subjects	2023/24	2022/23
Accountability and openness	3%	10%
Disclosure and registration of interests	13%	9%
Duty to uphold the law	8%	8%
Integrity	6%	6%
Objectivity and propriety	10%	3%
Promotion of equality and respect	55%	61%
Selflessness and stewardship	5%	3%



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Public Services Ombudsman for Wales

Estimate 2025/26

1. Introduction

- 1.1 This Estimate submission for 2025/26 has been prepared for consideration by the Senedd Finance Committee. The office's Annual Report & Accounts for 2023/24 provide details of activities and achievements in that year. The Estimate has been prepared in the context of the [Strategic Plan 2023–2026: A new chapter](#) which sets the direction of the office.

2. Executive Summary

- 2.1 Complaints and enquiries received by the Office last year increased 17%, contributing to a 37% increase in the 5 years since 2019. The upward trend has continued into the first 4 months of this year. The Office improved its efficiency over the year and closed 6% more cases, also reducing aged cases (those over 12 months) by 70%. The Office Rationalisation Project has now concluded, delivering annual efficiency savings of £105k. However, the continued increase in caseload, and the pressure that this places on the wellbeing of our staff, is hugely challenging.
- 2.2 This Estimate has been prepared within the context of complaints and enquiries continuing to increase, to reflect the resources needed to support the delivery of the Strategic Aims, set out in our Strategic Plan, whilst also being mindful of the challenges continuing to face public sector finances.
- 2.3 In summary, the Cash and Resource and requirements are £6,358k and £6,392k respectively. This is an overall cash increase of £122k, or 2.0%, as a result of efficiencies being used to offset some significant cost pressures
- 2.4 These pressures mainly arise from increased staff costs - £138k is required to meet the additional anticipated cost of the April 2025 pay award and contractual staff increments.
- 2.5 There are also inflationary pressures of £15k on our non-staff expenditure and £20k is required to meet the necessary costs of external IT support following re-tendering.
- 2.6 We have now successfully completed our project to reduce our office space by 45%, negotiating dilapidations costs and an early exit from our lease commitment, and entering a new lease, for the reduced area, in April 2024. These changes have been managed within existing resources and we expect them to lead to annual cash-saving efficiencies of £105k (in the form of reduced rent, VAT, business rates and service charges). The savings will be used to offset some of the cost pressures above, specifically the cost of contractual staff increments (£31k) and the costs of the new IT Support contract (£20k).

- 2.7 As indicated in previous reports to Finance Committee, the remaining savings will be retained to fund the costs of future investment in technology and service improvement, work which was deferred until these savings materialised. There is also an IFRS 16 accounting technical adjustment as a result of the new lease, but this will impact resource only.
- 2.8 The PSOW Act does not allow a charge to be made for our services and we receive no fee income. We recover the costs of payroll services to the Future Generations Commissioner and of the part-time staff secondment to the Ombudsman Association. We are therefore entirely dependent on funding from the Welsh budget, following the recommendations of the Senedd Finance Committee.
- 2.9 We are mindful of the significant pressure on public finances and the difficulties this presents in balancing the demand for public services and the funding available. We welcomed the Finance Committee's support last year for an additional caseworker and for a new data analyst post to help us get more from our data. These positions will make an important contribution to dealing with the increased workload.
- 2.10 Whilst we remain ambitious, we are phasing investment over the next few years to reflect the current limitations of public sector finances. Investment in technology and service improvement will be funded through savings from our property rationalisation, reducing the funding being requested from the Welsh Consolidated Fund.
- 2.11 In addition to the cash-releasing savings from our reduction in office space, we continue to make volume efficiencies ('doing more with the same') as a result of not increasing our staff numbers in proportion with the increases in casework that we are continuing to experience (see section 6). Whilst these efficiencies do not generate cash savings, they reflect real efficiencies made and the cost per case last year was the lowest reported by the Office.
- 2.12 The proposed budget ambit is shown in Appendix A.

3. 2024/25 Update

- 3.1 Our Strategic Plan for 2023-26 sets out our vision and ambition for public services in Wales. It also sets out our four Strategic Aims:
1. Delivering justice with a positive impact for people and public services
 2. Increasing accessibility and inclusion
 3. Increasing the impact of our proactive improvement work
 4. Ensuring that we are a healthy, efficient and accountable organisation.
- 3.2 We monitor and report on our performance against a number of Key Performance Indicators (KPIs), which aim to support continuous improvement in our performance and capture more accurately the impact of our work. We prepare annual business plans setting out key actions that will help us meet our Strategic Aims.

- 3.3 During 2023/24 we made good progress towards achieving the ambitious goals set out in the Strategic Plan. We saw a record increase in the number of people contacting us with complaints about public services and about the conduct of local councillors. We handled over 10,000 cases, closing more than we ever have done before. We reduced our aging cases, often those that are the most complex and challenging, by 70% by the end of the year. We also reduced the costs for each case and investigation, so the office was the most efficient it has ever been. Performance is set out in detail in the [Annual Report and Accounts 2023/24](#).
- 3.4 Caseload pressures continue to be a significant concern. We have made progress in reducing the number of public service complaints each investigator holds in their current caseload to a more manageable level. However, the increasing pressures of Code of Conduct work mean that each investigator of Code of Conduct complaints continues to hold an excessive number of live cases. 2023/24 was the office's best performance, and we have made substantial efficiencies in recent years, but the office is now operating at, or very close to, capacity.
- 3.5 We need to be mindful of the impact of growing numbers of complaints on staff health and wellbeing. Staff feedback continues to show increasing concerns about workload and reduced satisfaction with PSOW as a place to work. We are reviewing the measures we have in place to support staff and continue to provide a healthy working environment.
- 3.6 In the current year, we have so far received 20% more public service complaints than for the equivalent period last year. Although the numbers of enquiries are slightly down (perhaps as the result of investment in our new website which provides better information and guidance), as are code of conduct complaints, public service complaints account for the majority of our staff time, so the increase is concerning in terms of capacity and impact on staff.
- 3.7 In the current year, there remain three significant financial uncertainties:
- The April 2024 local government pay award, which applies to our staff under their contracts of employment, has not yet been settled. The initial PSOW Estimate for 2024/25 allowed 5% for the April 2024 pay award. There are suggestions that public sector pay awards for the NHS and teachers this year may be around 5.5%, and this may influence the outcome of local government pay negotiations. If the actual pay award is above 5%, we will work to contain the additional cost within the approved budget as far as possible but might need to submit a further Supplementary Budget.
 - The ongoing Code of Conduct case, where leave to appeal the decision of the Adjudication Panel for Wales in the High Court has been sought (by the former Councillor involved), remains current. Permission to appeal was refused by the High Court in April. However, the application has been renewed and this will be considered by the High Court in November. As previously advised to the

Committee, the outcome of this, and the potential legal costs if permission to appeal is granted, remain unknown.

- The Committee is aware of the independent review commissioned by the Ombudsman earlier in the year. The review is considering a number of Code of Conduct case assessment decisions and our processes for investigating Code of Conduct complaints. The Committee will be considering that report separately. Whilst it is expected that the cost of the review, during the current year, will be contained within existing budgets using savings from reduced office accommodation, we are uncertain of the level of additional resources that may be required to meet the costs of implementing any recommendations.

3.8 We were pleased that there were additional resources, provided in our 2024/25 budget, for one caseworker and a data analyst. Once our budget was formally approved, we made appointments to both roles. There will be a period of induction and training for both posts but by the end of the 2024/25 year we expect both posts to be making a difference. One post will help to manage ongoing increases in casework. The other post will start the work to gain greater insight from the data we hold and that we collect. That insight will help with our improvement work with public services and will inform the office's own initiative and thematic work.

3.9 As the Committee will recall, cyber security remains a significant and constant risk in our risk register. We continue to maintain a focus on this and have continued our work to move to cloud-hosted solutions. Following a review, we have identified the need to secure additional external support that includes an annual cyber security audit, monthly internal and external vulnerability scans, support for ongoing Cyber Essentials / Cyber Essentials Plus certifications, penetration testing, training including phishing simulations, device monitoring and, if and when needed, access to expert support in an incident. These are intended to reduce both the likelihood and the impact of any cyber security incident.

3.10 We have also completed our staff survey, which we undertake every two years. The survey results raise concerns, reported previously, about wellbeing and pressure on staff, and while the majority of our staff still consider that we are a good place to work, the proportion has decreased. These results provide an early indication of the impact on staff wellbeing arising from increased work pressures, and we are undertaking further research, with an independent researcher, to gather more detailed thoughts and views from staff to help our understanding of the results and identify any further actions we can take to address key issues.

4. Casework Pressures

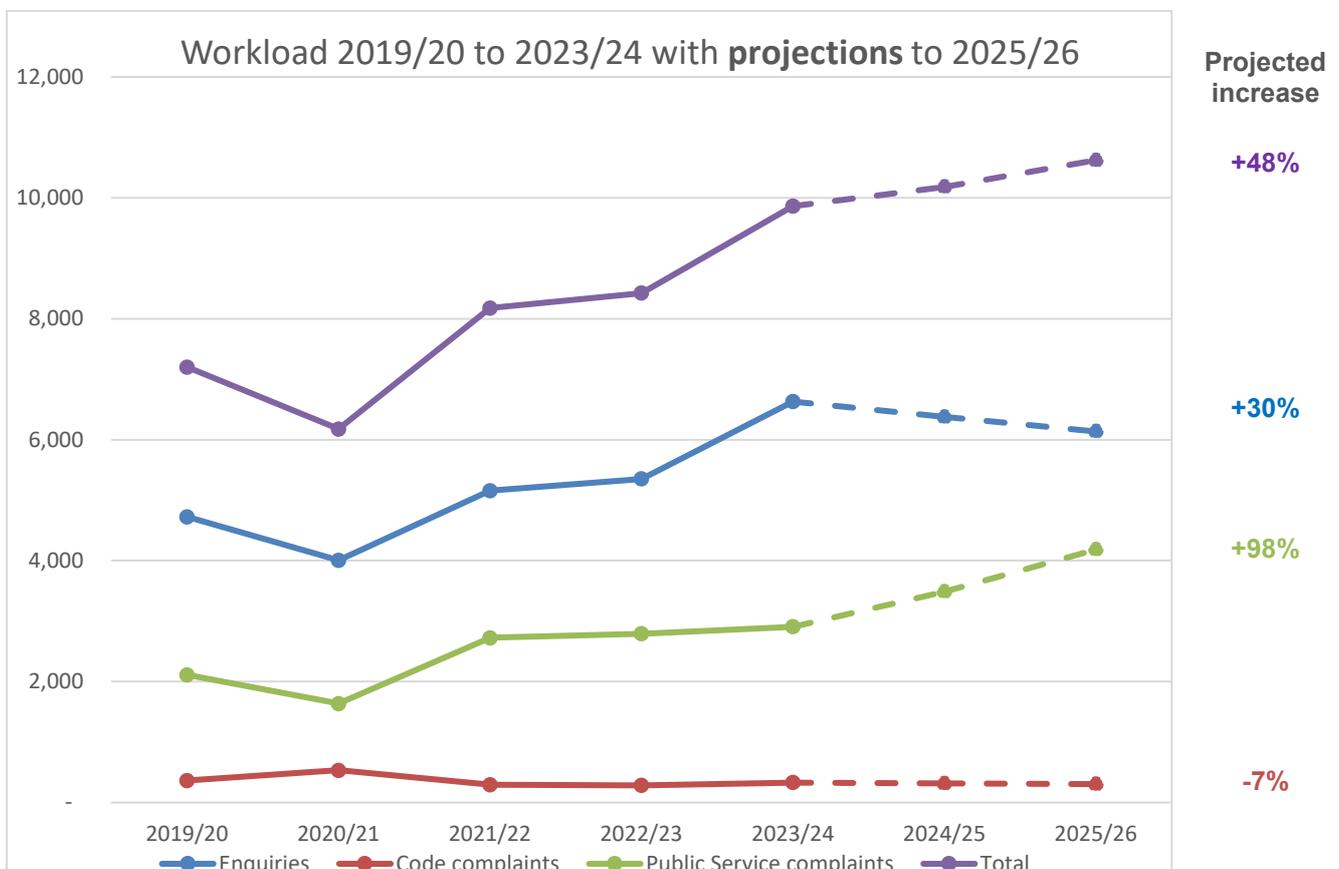
4.1 Last year (2023/24) we again received the highest ever number of public service complaints. This reflects pressures on public services, particularly health services, and increasing public concerns about those services. In the current year (April to June 2024) we have seen further increases in our overall workload, with a further substantial increase in the number of new public service complaints received.

4.2 For the 2025/26 Estimate we have based our projections on the actual number of new cases in the year to date, and applied those to the 2023/24 actual numbers. This is an average annual increase of 3% to 4% overall, but with a large increase in public service complaints only partially offset by small reductions in the numbers of enquiries and Code of Conduct complaints.

Year	Enquiries received	Code of conduct complaints received	Public Service complaints received	Totals
2019/20	4,726 (+2%)	365 (+29%)	2,109 (-4%)	7,200 (+1%)
2020/21	4,006 (-15%)	535 (+47%)	1,638 (-22%)	6,179 (-14%)
2021/22	5,158 (+29%)	294 (-45%)	2,726 (+66%)	8,178 (+32%)
2022/23	5,350 (+4%)	283 (-4%)	2,790 (+2%)	8,423 (+3%)
2023/24	6,630 (+24%)	328 (+16%)	2,905 (+4%)	9,863 (+17%)
2024/25 (projected)	6,378 (-4%)	316 (-4%)	3,486 (+20%)	10,180 (+3%)
2025/26 (projected)	6,136 (-4%)	304 (-4%)	4,183 (+20%)	10,623 (+4%)

Table 1: Workload 2019/20 to 2023/24 with projections to 2025/26

4.3 Graph 1 (below) shows past, current and projected numbers of enquiries and complaints.



Graph 1: Workload 2015/16 to 2023/24 with projections to 2025/26

- 4.4 The cumulative effect of ongoing annual increases is substantial. We seek to provide timely, empathetic and appropriate outcomes to complaints. However, these casework pressures reflect the very real concerns of residents of Wales and increasing caseloads risk delaying resolution and prolonging distress. Good progress has been made in the last year in reducing the percentage of public service complaints, currently being investigated, that have been with the Ombudsman for more than 12 months. This has reduced from 40% of cases to 10% of public service complaints. Further work is required to reduce the number of ageing Code of Conduct cases.
- 4.5 There is also a significant impact on our staff. Since public service complaints account for the majority of staff time, even a small percentage increase results in a significant number of additional work. The projected 98% increase in public service complaints from 2019/20 to 2025/26 (see Graph 1) is therefore particularly challenging. The actual increases in casework from 2019/20 to 2023/24 have been largely managed through efficiencies: from 2019/20 to 2023/24 we received 37% more public service complaints with only 9% more casework staff (4 members of staff). The scale of these efficiencies is significant, and the office is now operating at, or close to, capacity. Whilst no additional staff are proposed in 2025/26, continuing caseload pressures in future years cannot simply continue to be absorbed.
- 4.6 Our Strategic Plan includes a strategic aim to increase accessibility and inclusion in our services. Whilst resources continue to be constrained, this still remains an important aim. We will work to improve access to our services by those groups currently under-represented in our service users. We expect that this will result in more enquiries and complaints from these groups.
- 4.7 We remain committed to driving efficiency, embracing innovation and improving our performance. We continue to focus on staff wellbeing and complainant experience, but in the current public finance context, the Estimate for 2025/26 does not seek an increase in funding beyond contributions towards meeting anticipated pay and price increases. However, the scale of achievements in terms of efficiencies, handling more complaints, closing more cases and reducing the number of older cases, is such that the office is now operating at capacity.

5. Cost pressures

- 5.1 Almost all our budget continues to be taken up by fixed or semi-fixed costs – premises costs and IT costs are largely fixed, and staff costs cannot be varied in the short term, other than through redundancies (which would involve additional one-off costs).

Staff costs

- 5.2 Nearly 80% of our costs are staff costs. We are committed to staff increments of £31k, but our biggest cost pressures arise from pay awards and employer pension and National Insurance contributions. These are not costs that we can directly control, at least in the short term. As indicated above, staff are contractually entitled

to pay awards agreed for local government staff in England, Wales and Northern Ireland by the local government National Employers organisation.

- 5.3 Our Estimate submission assumes a 5% national local government pay award for April 2024. We also need to allow for the April 2025 pay award. We have included provision for a 3% pay award from April 2025. However, if the actual local government pay awards are higher than we have provided for, we may have further funding shortfall(s). We are seeking £107k to help us meet the cost of the national pay award and propose to fund contractual increments of £31k through the efficiency savings from property.

IT Support Contract

- 5.4 The current contract for our IT Support expires at the end of March 2025. We are therefore in the process of a full procurement exercise. We will seek tenders based largely on the existing specification and service levels. However, we are aware of increased cyber security requirements, and the fact that the risk of a cyber-attack has increased significantly since the procurement was last completed in 2020. Furthermore, re-tendered contracts are likely to be more costly than the expiring contracts, especially given the current economic climate of supplier price inflation. We will be allowing for an extra £20k to help us meet this, and this will be funded through the efficiency savings from property.

Price inflation

- 5.5 For the current year (2024/25) we anticipated 6.7% inflation based on the rate of CPI at August 2023. Whilst actual rates of inflation have consistently fallen since then, and these reduced rates are helpful, they still have an impact on utility and other supplies and services costs, including contracts where there is annual indexation. A number of annual costs, particularly IT, tend to increase by more than CPI.
- 5.6 For 2025/26, we have assessed the impact of inflationary increases on a line-by-line basis. Appendix B shows the incidence of these inflationary pressures. Whilst inflation for the year to date has been on average 3%, we have generally worked on the basis of the latest GDP deflator for June 2023 (2%) but have also included excess price increases in 2024/25 where applicable. Whilst we will continue to seek best value prices from suppliers, general inflationary pressures make price increases likely. We are seeking £15k to help us meet these costs of inflation.

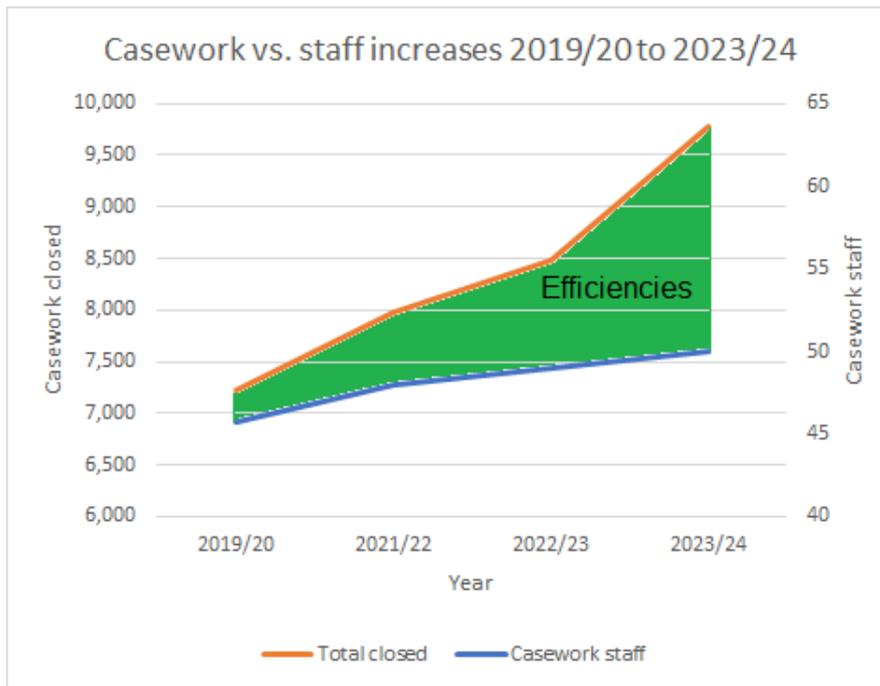
6. Efficiencies

Cost efficiencies

- 6.1 We have continued to deliver substantial cost efficiencies. We have looked to fund many price inflation pressures and staff increments over the past 2 years as a result of process improvements and other internal efficiency savings such as:
- Staff efficiencies through reorganisation and staff turnover
 - IT efficiencies following investment and reduced use of third-party suppliers
 - Procuring IT contracts through Government Commercial Frameworks rather than entering into agreements ourselves
 - Reducing the number of printers/copiers the office now owns
 - Moving our contract management system in-house rather than using a paid third-party supplier.
- 6.2 Since our last Estimate submission, we have successfully negotiated and signed a new lease, effective April 2024. We now only occupy the ground floor and this has resulted in a cash efficiency saving of £105k, being savings made in rent, VAT, service charge, utilities and rates.
- 6.3 We are mindful of the pressures on Welsh public finances and therefore propose to apply £51k (£31k for staff increments and £20k for increased costs of our IT Support contract) of these cash-saving property efficiencies to fund some of the cost pressures outlined above. This reduces our call on the Welsh Consolidated Fund to fund pay and price increases.

Volume efficiencies – achieved

- 6.4 Our actual enquiries and complaints caseload has already increased by 37% since 2019/20 as set out above (and an overall projected increase of 48% to 2025/26). There has not been a commensurate increase in staff numbers dealing with complaints and enquiries – we have had 4 more casework staff where a 37% increase in staff would equate to an increase of 17 to date (and of 22 by 2025/26). This demonstrates our commitment to achieving greater efficiency and our track record of doing so. We have successfully worked to increase volume efficiency and manage this growing caseload by ‘doing more with the same’.
- 6.5 Of course, what is important is not just the number of complaints and enquiries **received** but also the work completed and the number of complaints assessed, investigated and closed. The analysis below therefore considers the cases **closed** each year.



This diagram shows the number of cases we have **closed** each year and the number of casework staff between 2019/20 and 2023/24.

This shows the continued and growing gap between casework staff and the casework we are dealing with, and the efficiency (cost avoidance) savings we have made as a result.

Graph 2 – Closed casework vs. staff numbers

- 6.6 This green gap between increases in case closures and increases in staff numbers yields an estimated annual volume efficiency of around £750k. These efficiencies do not generate cash savings, but they reflect real efficiencies made.

Volume efficiencies – projected

- 6.7 Based on caseload projections for 2025/26, with no additional casework staff for 2025/26, our caseload implies an increase in staff numbers of 22 above 2019/20 levels. Over that period, only 4 additional casework posts have been established. The gap indicates an ongoing annual efficiency saving of £1.1m. Whilst we are not seeking funding for any additional staff for 2025/26, if the number of cases continue to increase, then we will certainly have to look at an increase to our casework staff numbers in future years.

7. Investment in Strategic Priorities

- 7.1 Our Strategic Plan sets out four strategic aims. Under the Plan we will be:
1. Delivering justice with a positive impact for people and public services
 2. Increasing accessibility and inclusion
 3. Increasing the impact of our proactive improvement work
 4. Ensuring that we are a healthy, efficient and accountable organisation.

- 7.2 These strategic aims are ambitious and define a new set of priorities for the office. However, the pressures facing the Ombudsman, and indeed wider public services, are not likely to be resolved quickly – there will be continued cost and caseload pressures, as well as increased expectations. These pressures make the four strategic aims even more important.

- 7.3 We remain concerned that some groups across Wales are less likely to be aware of and use our services. These include some who may be particularly reliant on public services, and we are determined to increase our outreach and accessibility work to reach them. Our outreach and communications work, together with the factors set out earlier when discussing caseload pressure, mean that more will be expected of our service and our organisation. No additional investment has been included for increased outreach work as part of our Strategic Plan, so we will aim to do this by prioritising target groups within existing resources.
- 7.4 We were grateful that in last year's Estimate the Committee supported additional funding to meet the costs of re-tendering for our Case Management System. We made a number of enhancements to the system in 2023/24, such as work to improve dashboards (so staff and managers have a better understanding of current caseloads) and need to complete our enhancement programme through the development of a new portal. This will allow transmission of documents and communications to/from complainants and/or relevant bodies and advisers and was one of the key recommendations identified as part of our digital improvement work with Perago Wales. The cost of this work will be met from the existing service improvement and IT & Digital Strategy budget.
- 7.5 We remain committed to investment in our IT & Digital Strategy and will achieve this by using part of the property savings. As indicated in previous Estimate submissions, investment to improve efficiency was deferred until the property-related savings were achieved. Now that these savings have materialised, this will allow us to make investment in significant change without an additional call on funding from the Welsh Consolidated Fund. In 2025/26 to invest in use of technology to assist in our work, exploring the scope for automation of tasks and improving methods of communicating with complainants and potential complainants. As our Data Analyst becomes established in the role, we will develop and use data analysis tools to improve the insight and understanding we get from the data we collect.

8. 2025/26 Estimate

8.1 In preparing this Estimate we have sought to address the Statement of Principles developed by the Senedd Finance Committee for the preparation of annual budget proposals. Appendix D shows these Principles and how they have been addressed in this Estimate submission.

8.2 Changes between the 2024/25 budget and 2025/26 Estimate are summarised below:

<i>All figures in £000</i>	Cash		Resource
2024/25 budget (after deducting £108k – see note)		6,236	6,250
3% pay award		+107	+107
2% non-pay inflation		+15	+15
<i>Property savings</i>	-105		
<i>Staff increments</i>	+31		
<i>Increased IT support costs</i>	+20		
<i>Investment in service improvement and IT & Digital Strategy</i>	+54		
Net	0	0	0
IFRS 16 changes		-	+20
2025/26 budget		6,358	6,392

Note: The Finance Committee requested that the unused pay award contingency amount from 2023/24 (£108k), was removed from the base budget. This will be done for 2024/25 in the 2nd Supplementary Budget. This amount has therefore been removed from the baseline.

Table 2: Changes between the 2024/25 budget and the 2025/26 Estimate

8.3 The Estimate for 2025/26 is shown in more detail in Appendix B and is prepared on an IFRS 16 basis. Unit costs are included in Appendix C.

8.4 Further detail, together with brief narrative for each area of expenditure group, is attached. The table shows the current year's budget, budget pressures, efficiencies and the proposed Estimate for 2025/26.

8.5 The estimate:

- Includes 5% estimated pay award for April 2024 and 3% estimated pay award from April 2025.
- Includes no contingency. Since we have no contingency or reserves, any significant unexpected costs (such as pay awards above levels allowed for, or significant legal costs arising, for example, from case-related court cases or judicial review) would result in a Supplementary Budget.
- Reflects cash-saving efficiencies of £105k from our property review which will be used to meet the costs of staff increments (£31k) and to meet the expected increased costs of our IT Support contract following re-tendering (£20k).
- Includes no funding request for additional staff, despite the volume of work being dealt with by the office being the highest it has ever been.

9. Consequences of Estimate not being approved

- 9.1 The Estimate seeks to balance the financial pressures and need for investment on the one hand with an understanding of the challenging state of public finances in Wales. In the main, the increases sought are the result of externally generated pay and price pressures. The costs of investment in service improvement and in the delivery of our IT & Digital Strategy are to be met from the balance of property savings.

Consequences of Estimate not being approved

Impact on staff

- 9.2 If the Estimate does not cover the costs of the pay award and inflation, this will result in reductions in staff numbers. If these cannot be achieved through natural turnover of staff, redundancies would be necessary.
- 9.3 If the costs of pay awards and inflation are not included in the approved budget, redundancies would be required, amounting to the loss of 2 full time posts. This would be hugely concerning at a time when demands for our services are the highest they have ever been, the pressures on our staff are the greatest they have ever been, and when the role of the Ombudsman is as important as ever in securing accountability and justice from Welsh public services. Such redundancies would also require the submission of a Supplementary Budget to meet one-off redundancy costs.
- 9.4 Furthermore, our staff are already experiencing significant pressure and increasing the pressures on staff would have adverse impact on staff wellbeing. Increased complaints have put more pressure on our staff and, if the Estimate is not approved, there is a risk that the incidence of lost time through stress will increase.

Impact on service users

- 9.5 Any reduction in staff numbers would also have an adverse impact on service levels, resulting in less time to engage with individual complainants, longer response times and less detailed consideration of some complaints. This in turn would have an adverse effect on complainants, adding to their concerns. Particularly in health complaints, our involvement tends to come at the end of what can be a long complaints journey. A reduced level of service would be a cause of real concern and would increase the distress of complainants.
- 9.6 Going forward we want to continue to assess complaints on their merit and carefully decide whether it is proportionate to fully investigate any complaint. We want to take a proportionate approach and devote our resources to ensure that we remedy injustice in serious cases and where systemic failings may impact on groups of individuals. If the estimate is not approved, these aims will no longer be achievable.
- 9.7 We are already taking a proportionate approach to our casework, investigating only the most serious health cases and cases where our investigations can achieve something further. If the Estimate is not approved, this would reduce the scope to

achieve more representative coverage of the range of public services, to make our service more accessible and to provide greater focus on areas such as housing and social care. The opportunities for identifying improvements in public services would also reduce.

- 9.8 Considering only the most serious complaints would also run counter to our efforts, and the legislative decisions of the Senedd, to make the Ombudsman's services more accessible, for example through acceptance of oral complaints. In many cases, it is only when we start to investigate a single complaint, that might not appear very serious, that we identify systemic issues that could have very serious consequences for others. The feedback we receive makes us acutely aware of the impact of our work on members of the public. We do not wish to deny complainants the opportunity to have genuine concerns investigated.

Impact on technology and organisational efficiency

- 9.9 There is limited scope to cut our non-staff costs – most non-staff budgets are fixed or semi-fixed, with only small savings possible from, for example, a fall in the number of software licence users in the event of reductions in staff numbers.
- 9.10 The estimate anticipates and includes an additional sum (£20k) to cover the estimated increase in IT support costs when the contract is re-tendered, ready to commence on 1 April 2025. The current contract commenced in 2021 and the complexity and scale of this support has increased since then, as have market rates for such support. Strong external IT support is a vital part of maintaining efficient, effective and secure systems and in acting promptly and professionally to address any security or performance issues.
- 9.11 Our work is entirely reliant on technology. We have achieved Cyber Essentials Plus accreditation, and it is vital that we are able to keep our systems and software up to date. This inevitably has a cost, but the consequences of not keeping our systems as secure as possible are potentially huge in terms of the risks of sensitive personal data disclosure, inability to provide a service and the costs of recovering from a cyber incident.

Appendix A – Budget Ambit - Public Services Ombudsman for Wales

This Estimate submission has been completed consistently with Standing Orders 18A and 20.23 of the Welsh Parliament dated June 2024.

Ambit	Resources (£000)	Accruing Resources (£000)
Public Services Ombudsman for Wales	6,392	27

<u>Services and Purposes</u>	<u>£000</u>
Resources other than accruing resources for use by the Public Services Ombudsman for Wales on resource and capital costs associated with the administration of the Ombudsman's office; payments to the British and Irish Ombudsman Association; payments to the International Ombudsman Institute and associated non fiscal items.	6,392

<u>Category of accruing resource</u>	<u>Services and purposes for which income may be retained</u>
Income from commercial sales and other services provided to the public or others.	For use on related services and the administration of the Ombudsman service.
Overall amount of Income (£000)	27

Resource to cash reconciliation for 2025/26 (£000)

Net Resource Requirement	6,387 *
Net Capital Requirement	5 *
Adjustments:	
Capital Charges	(157)
Impairments	-
Movements in Provisions	-
Profit/Loss on sale of assets	-
Movements in stocks	-
Movements in debtors/creditors	20
Use of Provisions	-
Other	103
Net Cash Requirement for issue from the Welsh Consolidated Fund	6,358

* £6,387k + £5k capital = £6,392k Total Resource Expenditure in Appendix B.

Appendix B – Estimate 2025/26

All figures in £000s	2024/25	2025/26			
	Budget 2024/25	Pressures / Inflation 2025/26	Investment in Strategic Priorities	Efficiencies	Estimate
Staff salaries and related costs (note 1)	4,972 *	+107 +31			5,110
Premises and facilities (note 2)	216	+51		(105)	162
Professional fees (note 3)	263	+4			267
IT costs (note 4)	327	+4 +20			351
Investment in service improvement and IT & Digital Strategy (note 5)	50	+1	+54		105
Office costs (note 6)	102	+3			105
Travel, training and recruitment (note 7)	42	+1			43
Communications (note 8)	68	+2			70
Total Revenue Expenditure	6,040	+224	+54	(105)	6,213
Total Income (note 9)	(27)				(27)
Net Revenue Expenditure	6,013	+224	+54	(105)	6,186
Capital Expenditure – DEL (note 10)	5				5
Total Resources Required	6,018	+224	+54	(105)	6,191
Depreciation and amortisation	70				70
Depreciation – leased assets	155			(68)	87
Interest charge – leased assets	7	+37			44
Capital AME – dilapidations	-				-
Total Resource Expenditure	6,250	+261	+54	(173)	6,392
Depreciation and amortisation	(70)				(70)
Depreciation – leased assets (note 11)	(155)	+68			(87)
Interest charge – leased assets (note 11)	(7)			(37)	(44)
Capital AME – dilapidations	-				-
Change in working capital (note 11)	198			(51)	147
Other non-cash movements	20				20
Cash Requirement from WCF	6,236	+329	+54	(261)	6,358

* The Finance Committee requested last year that we return the unused pay award contingency amount from 2023/24 (£108k), and this will be done for 2024/25 in the 2nd Supplementary Budget. This amount has therefore also been removed from the baseline budget.

Notes

1. Salaries and Related Costs

Under our employment contracts, staff salaries are increased annually in accordance with Local Government NJC pay negotiations. The 2024/25 budget figure includes a provision for a 5% pay award. For 2025/26 the table shows pressures of £107k (estimated 3% pay award from April 2025).

Note that pay awards for April 2024 and April 2025 are not yet settled so figures are estimates. Higher pay awards would be contained within existing resources where possible but would be likely to require the submission of a Supplementary Budget. The Committee has previously indicated its preference for this method of Estimate construction, rather than the inclusion of a contingency to cover any potentially higher pay settlement.

The cost of staff increments (£31k) will be met through the use of our property savings.

2. Premises

This major item of expenditure is the lease and running costs of our premises at Bocam Park. Since our last Estimate submission, we have successfully negotiated and signed a new lease, effective April 2024. We now occupy only the ground floor and this has resulted in a cash efficiency saving of £105k, from reductions in rent, service charge, utilities and rates.

Additional resource expenditure is required as a result of the IFRS 16 implications of the new lease (in line with HM Treasury guidance, +£51k), though this has no effect on cash.

3. Professional Fees

Inflationary pressures have increased the costs of professional fees by (+£4k).

4. IT - Computer Systems and IT Support

We have a number of contractually committed IT contract price increases. In 2023/24 we allowed for a 2% inflationary increase, but actual increases for the year are higher (+£4k).

The additional costs following re-tendering for our IT Support contract (+£20k) will be met through the use of our property savings.

5. Investment in service improvement and IT & Digital Strategy

We will be investing the balance of savings from our property rationalisation project (after funding increments and the increase in annual IT support costs) (£54k) in service improvement and implementation of our IT & Digital Strategy.

This investment will support staff in their roles, help develop our systems to support the ongoing efficiencies required in the budget and deliver improvements in our service and in communication with service users.

6. Office Costs

Office costs are subject to inflationary cost pressures of £3k.

7. Travel, Training and Recruitment

These costs are subject to inflationary cost pressures of £1k.

8. Communications

Communications costs are subject to inflationary cost pressures of £2k. We will continue to use low and no-cost options for communications and providing information about our services.

9. Income

The Estimate includes ongoing income from a staff secondment to the Ombudsman Association and for the provision of payroll services to the Future Generations Commissioner. (The staff secondment to the Senedd Commission, included in our 1st Supplementary Budget, ends in December 2024 so does not affect 2025/26.)

10. Capital

The small annual capital allowance of £5k is maintained.

11. IFRS 16

This is the accounting adjustment needed to offset the depreciation and interest charge created by IFRS 16 and provide the appropriate cash requirement from the Welsh Consolidated Fund.

The change is as a result of the new lease signed in April 2024. The depreciation charge has reduced as there is now a longer 10-year lease period over which the asset will depreciate, whilst the interest charge has increased as HM Treasury guidance states that new leases signed in 2024 are subject to a discount rate of 4.72%, compared with the previous discount rate of 0.95% under the old lease arrangement.

Appendix C – Unit costs

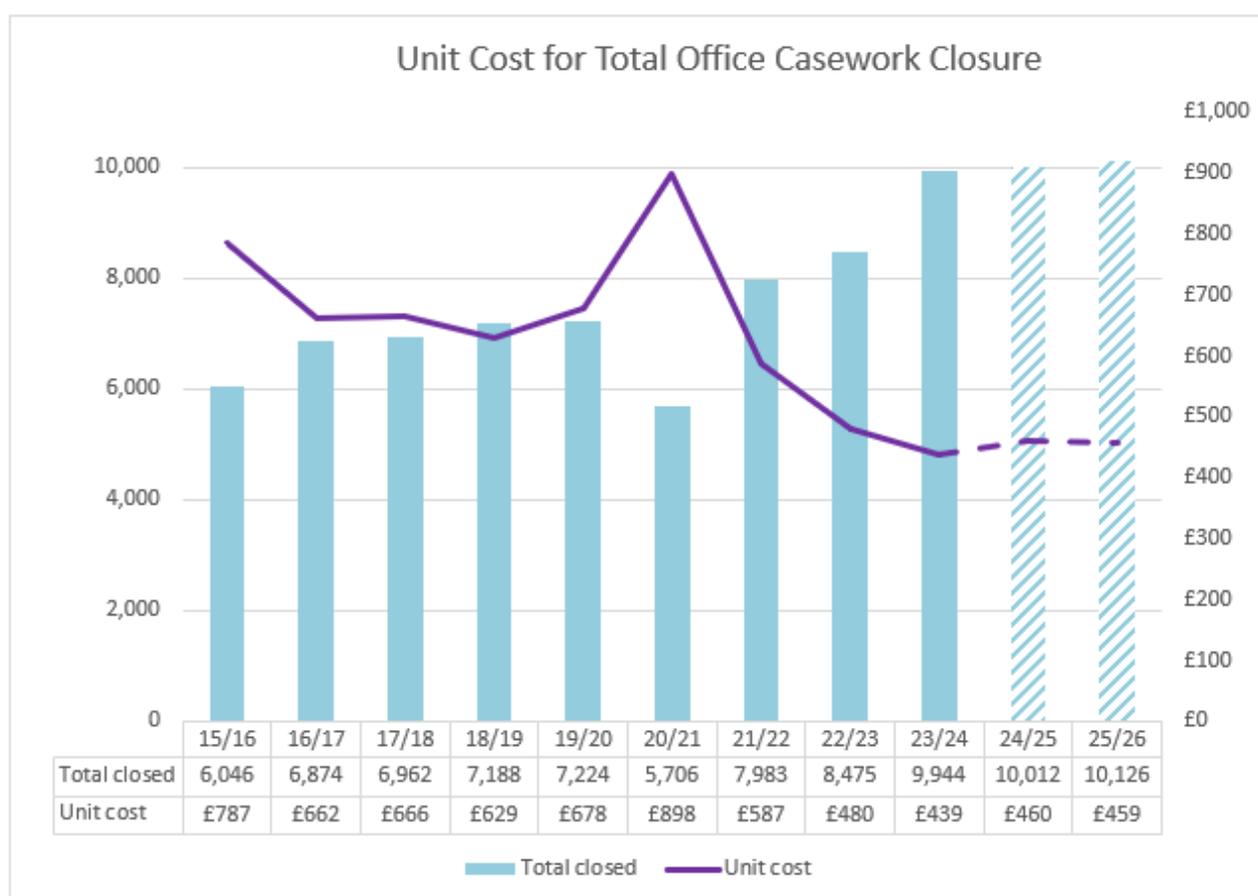
We continue to present unit costs calculated for our main activity – receiving, considering, investigating and responding to enquiries and complaints. This is our activity under Strategic Aim 1, and we use the audited figures for Operating Costs by Strategic Aim, presented within the accounts. Based on our 2023/24 Accounts, Strategic Aim 1 accounts for around 75% of our expenditure, and the main costs here are direct staff costs, costs of our case management system, costs of professional advice and an allocation of overheads such as premises and office costs.

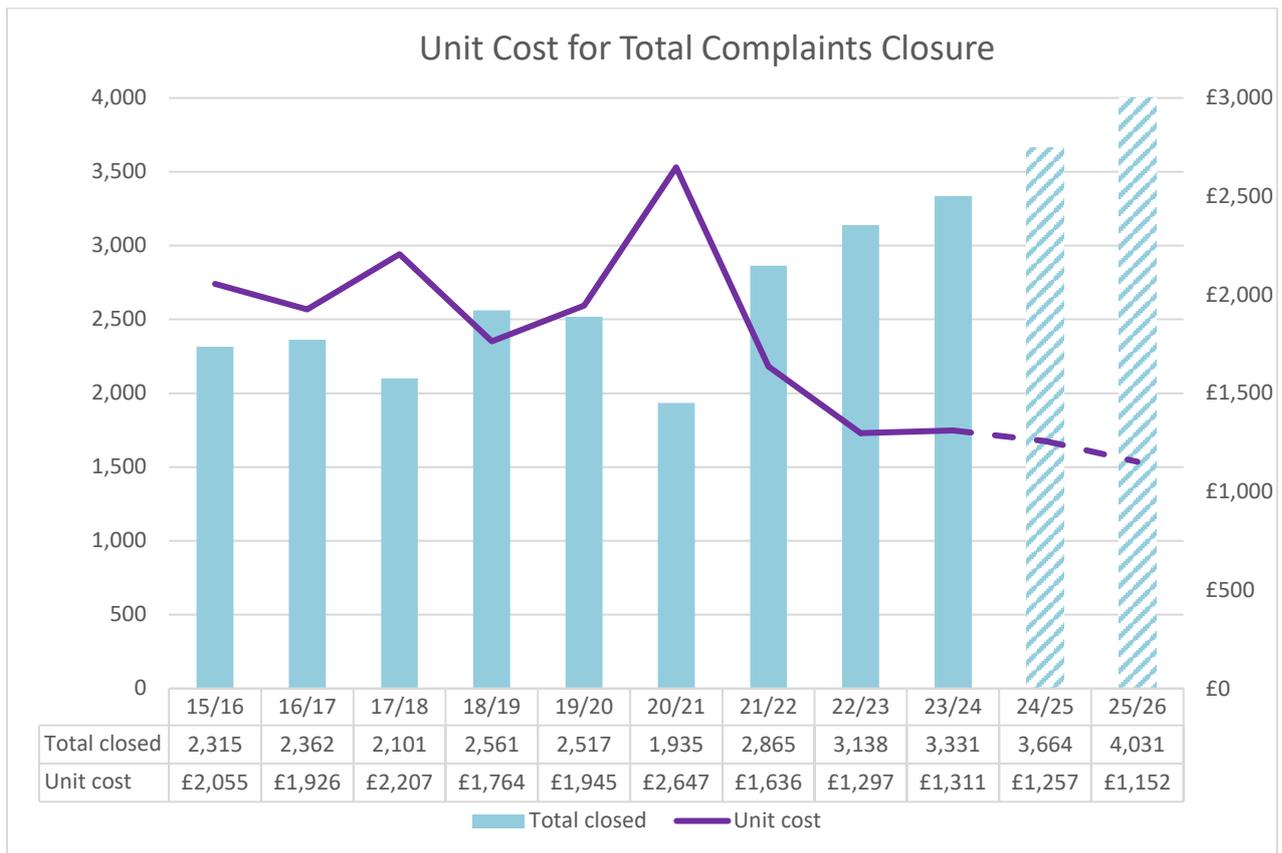
The graphs below show firstly unit cost for the full enquiry **and** complaints work **completed** (closed) in the year and secondly for complaints cases only, **completed** (closed) in the year. Projections for the current year and next year are included for completeness. As indicated in 6.5 above, if cases increase at the rate anticipated we will continue to seek efficiencies but, in the light of ongoing resource constraint, do not anticipate being able to increase the number of cases **closed** in line with the increase in cases **received**.

Real terms

All cost figures here have been adjusted to 2026 prices to allow meaningful comparison.

We have used the actual rates of CPI inflation for 2015/16 to 2023/24. For 2024/25 we have used CPI inflation as of July 2024, and for 2025/26 we have assumed inflation will be 2%.

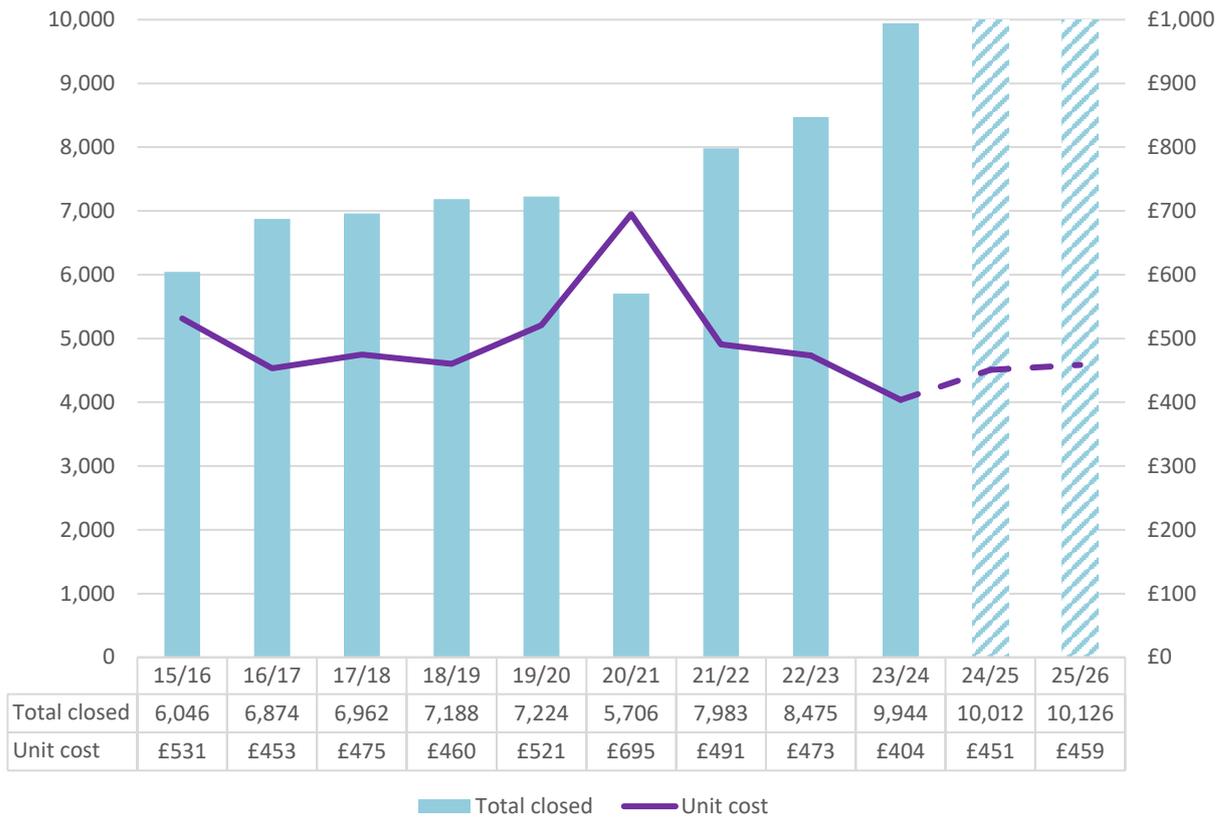




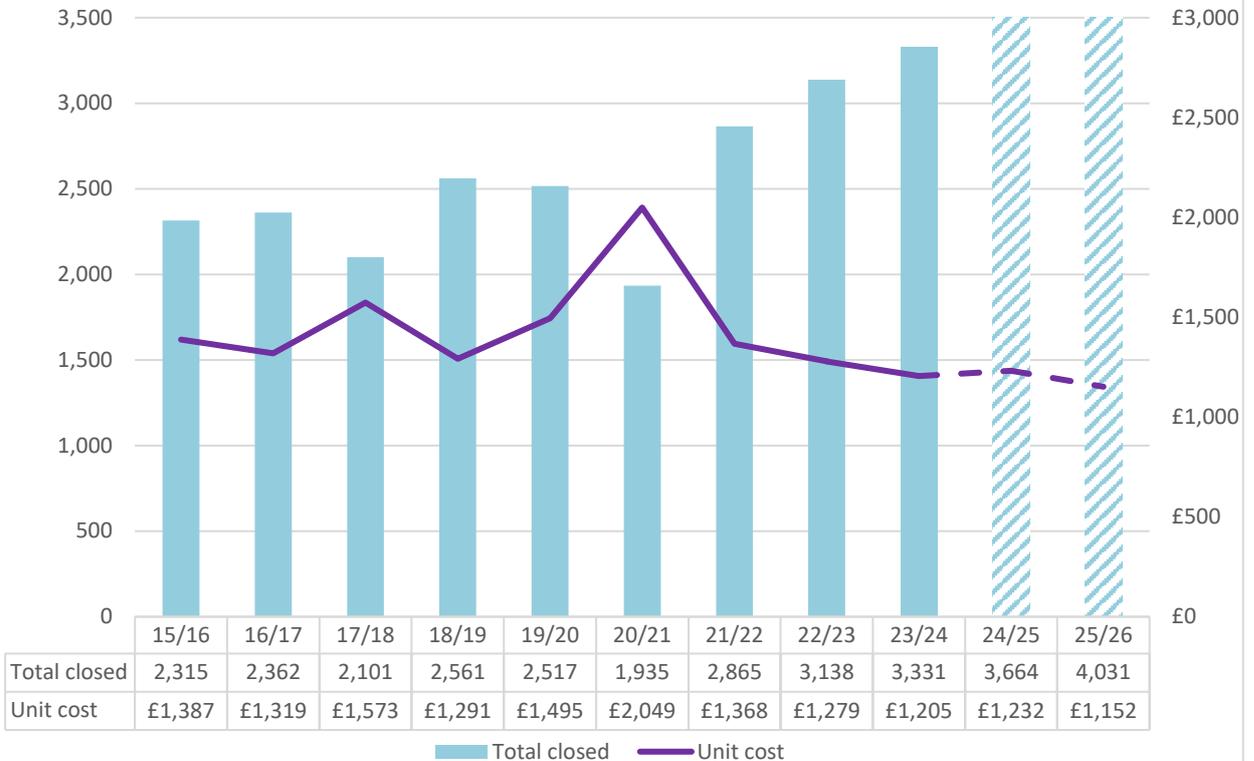
Cash terms

The Finance Committee has previously requested unit cost figures expressed in cash terms. These are presented here for completeness. All cost figures here are the actual costs as reported in the Annual Accounts, not adjusted for inflation.

Unit Cost for Total Office Casework Closure



Unit Cost for Total Complaints Closure



Appendix D – Principles that Directly Funded Bodies should consider when preparing their annual budget proposals

The Finance Committee of the Senedd has developed a Statement of Principles that Directly Funded Bodies should consider when preparing their budget proposals. This Appendix sets out the key principles and shows how they are addressed in the Estimate submission:

Principle	Comment
<ul style="list-style-type: none"> The Finance Committee believes budget estimates should be transparent, prudent and reflect the financial constraints in the public sector. 	<ul style="list-style-type: none"> The Estimate is set out in a transparent way and seeks to be prudent in recognising significant pressures facing the office (sections 4 and 5) and our ambitions (section 7). These ambitions include continued productivity and cost efficiencies (section 6) and better access to our services for all.
<ul style="list-style-type: none"> Budget requests should be set in the context of the long-term financial funding situation in Wales and funding pressures in the wider public sector. 	<ul style="list-style-type: none"> The Estimate reflects the financial constraints in the public sector, and includes investment in improvement (section 7), resources to meet unavoidable pressures (sections 4 and 5) and significant cost-saving efficiencies (property savings and volume efficiencies – section 6).
<ul style="list-style-type: none"> Requests should show how annual and multi-annual objectives will be prioritised, monitored and achieved. 	<ul style="list-style-type: none"> The Estimate is intended to support the multi-year aims set out in the Strategic Plan 2023-2026. This sets out our proposed priorities. We will report annually, in our Annual Report & Accounts, on progress in line with our revised Strategic Plan.
<ul style="list-style-type: none"> Bodies should not assume an increase in funding, regardless of the block grant change as any increase to their funding reduces resources available to other devolved public bodies. 	<ul style="list-style-type: none"> No assumptions have been made about block grant changes. The Estimate reflects workload pressures (section 4), unavoidable cost pressures (section 5), productivity and cost efficiencies (section 6) and investment priorities (section 7).
<ul style="list-style-type: none"> Bodies should continually seek to improve processes and accrue efficiencies. 	<ul style="list-style-type: none"> The Estimate shows (section 6) efficiencies by completing more work since 2019/20 within the resources we have. The Estimate also shows specific efficiencies to be achieved in 2025/26.
<ul style="list-style-type: none"> Where any increases in funding are requested, these should be backed by evidence both of the need, benefit and attempts that have been made to reduce such costs. Also, the consequences of not obtaining the requested increase in resource should be made clear and quantified. 	<ul style="list-style-type: none"> The Estimate and the Strategic Plan set out the drivers that influence budget needs, together with the investment sought. Section 9 shows the consequences of the Estimate not being supported.

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