

Agenda – Finance Committee

Meeting Venue: Hybrid – Committee room 4 Tŷ Hywel and video conference via Zoom	For further information contact: Owain Roberts Committee Clerk 0300 200 6388 SeneddFinance@senedd.wales
Meeting date: 9 July 2025	
Meeting time: 09.30	

At its meeting on 2 July, the Committee agreed a motion under Standing Order 17.42(ix) to exclude the public from the start of today's meeting.

Registration

(09.00 – 09.15)

Private pre-meeting

(09.15 – 09.30)

- 1 Appointment of the Auditor General for Wales: Approach to recruitment**
(09.30 – 10.00) (Pages 1 – 28)
- 2 Scrutiny of the Welsh Government Draft Budget 2026–27: Approach to scrutiny**
(10.00 – 10.15) (Pages 29 – 40)
- 3 Consideration of Forward Work Programme**
(10.15 – 10.25) (Pages 41 – 57)
- 4 Scrutiny of the Welsh Government Draft Budget 2026–27: Engagement summary report**
(10.25 – 10.30) (Pages 58 – 126)

Public



- 5 Introductions, apologies, substitutions and declarations of interest**
(10.30)
- 6 Paper(s) to note**
(10.30)
 - 6.1 PTN 1 – Letter from the Cabinet Secretary for Finance and Welsh Language: Draft Budget 2026–27 timetable – 1 July 2025**

(Pages 127 – 128)
 - 6.2 PTN 2 – Letter from the Cabinet Secretary for Finance and Welsh Language: Administration of devolved taxes in Wales – 1 July 2025**

(Pages 129 – 130)
 - 6.3 PTN 3 – Letter from the Cabinet Secretary for Economy, Energy and Planning: Inter-Ministerial Group for Business and Industry meeting – 1 July 2025**

(Page 131)
- 7 Post-legislative review of the Public Services Ombudsman (Wales) Act 2019: Evidence session 6**
(10.30 – 12.00) (Pages 132 – 190)
Michelle Morris, Public Services Ombudsman for Wales
Katrin Shaw, Chief Legal Adviser and Director of Investigations
- 8 Motion under Standing Order 17.42 (ix) to resolve to exclude the public from the remainder of this meeting.**
(12.00)
- 9 Post-legislative review of the Public Services Ombudsman (Wales) Act 2019: Consideration of evidence**
(12.00 – 12.10)
- 10 Post-legislative review of the Public Services Ombudsman (Wales) Act 2019: Consideration of key issues**
(12.10 – 12.30)

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Agenda Item 4

By virtue of paragraph(s) ix of Standing Order 17.42

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The priorities for the Welsh Government Draft Budget 2026-27

Introduction

This briefing provides a summary of what NHS leaders think the priorities should be in the Welsh Government's 2026-27 draft budget and what areas the Finance Committee should scrutinise.

Current challenges and opportunities

NHS leaders welcomed the increase to the health budget in the 2025-26 Welsh Government budget at a time where public finances across the UK continue to be extremely challenging. The additional funding has supported the NHS to respond to increasing demand on services, however members are concerned by the rising demand on, and costs of delivering, healthcare services. The lack of long-term financial certainty and budgets presents significant challenges to effective planning and delivery of quality health and care services.

As highlighted in our recent [report](#) following a survey of NHS leaders, the Welsh NHS Confederation believe it is imperative there is a fundamental shift in the health and social care system over the next decade. At its heart, this is about moving from a reactive model (treating people when they are unwell) to a proactive one (focusing on prevention and early intervention). This requires further investment in primary and community care and preventative services, working across all sectors to support people to be active participants in their own health and wellbeing to create resilient communities. The future of health and social care must be based on prevention and early detection, accessible provision of care in the community by default and only attending hospital for acute services.

Priorities for the NHS

Introduce longer-term funding cycles

Despite welcomed funding increases, the Welsh NHS, like other UK public services, has faced significant challenges due to various external pressures. These pressures have created increased financial uncertainty and deficits. Furthermore, to truly address the escalating health challenges, we must expand our understanding of health beyond

traditional healthcare settings. This necessitates considering the wider determinants of health, which serve as the fundamental building blocks for our collective wellbeing. Factors such as housing quality, access to education, a robust economy, efficient transport, opportunities for engagement in arts and leisure, and environmental conditions all play a crucial role

The UK and Welsh Government must shift from short-term thinking to longer-term funding cycles to allow health and care leaders to plan for, and invest in, projected long-term demand and service improvement.

Capital (including digital infrastructure)

For more than a decade, the NHS across the UK has suffered from a lack of capital funding, resulting in an estate in desperate need of extensive repairs and long-term investment. [Low capital investment](#) stands as one of the leading barriers to treating patients efficiently and effectively. As highlighted by the [Health Foundation](#), the UK has a long history of underinvesting in health capital compared to its peer nations, spending approximately 55% less than the EU-14 and £33 billion less between 2010 and 2024 than comparable OECD countries. This chronic underinvestment has left the NHS with an ageing estate not designed to meet current demands. Many Welsh hospitals were built in the [1960s](#) or even earlier, with 12% of the estate dating back to pre-1948 and only 6% built since 2015. This means substantial investment is required to bring these facilities in line with modern standards and to meet the Welsh Government's climate targets.

The NHS needs to launch a long-term capital and infrastructure strategy that invests in its entire estate, including buildings, equipment, and digital systems, while also leveraging technological and research advancements like genomics and AI, to drive efficiency, productivity, and sustainability, ultimately improving patient outcomes and staff working environments.

Workforce

Continued investment in the health and care workforce is vital. Effective retention is the most cost-effective way to ensure the NHS and social care have the staff needed in the future. This critical investment is essential to cultivate a multi-professional, digitally enabled, highly motivated, engaged, and truly valued workforce across both the NHS and social care sectors. Our recent survey revealed that a resounding [71% of NHS leaders](#) support commissioning Health Education and Improvement Wales (HEIW) and Social Care Wales to develop a fully funded, long-term workforce plan for Wales.

The Welsh Government must prioritise a long-term workforce plan for the NHS and social care workforce and their education. This will enable the implementation of a multi-professional, digitally enabled, motivated, engaged and valued workforce across the NHS and social care.

Social Care

It is vital that there is continued support and investment in social care services. Social care services play a crucial role in care pathways by keeping people well at home, preventing

hospital admissions, and enabling faster, safer discharges home. However, the current state of the social care workforce paints a stark picture. As of [March 2022](#), the total social care workforce stood at 84,134 people, a 7% decrease from 2021. This [decline](#) is coupled with 5,323 vacancies as of March 2022, representing 9% of the total workforce. The [2023 Social Care Wales workforce survey](#) revealed that 26% of staff were looking to leave the sector within the next twelve months, and 44% within the next five years. Of those planning to leave, a staggering 58% cited pay as the reason, with 30% pointing to poor employment or working conditions.

To enable the transformation of the social care sector, further investment is required and an independent rapid review is required to develop a long-term agreement on the sustainability of the social care system. Within this, workforce pay and conditions, access to publicly funded care and transparency and consistency around the collection and reporting of social care data must be considered.

Tackling Inequalities

Currently, the intense pressure on health and care services makes investing in preventative measures a significant challenge. [Analysis](#) by the Future Generations Commissioner of the 2025-26 draft budget highlighted that about 15% of the budget is focused on actions with a preventative dimension, with less than 10% going towards actions that provide enough evidence to contribute to primary prevention, the highest level of prevention. This disparity between overall preventative spending and spending on evidence-based primary prevention highlights a pressing need to improve resource allocation to maximise the long-term health and wellbeing of the population.

We need further investment in prevention and a cross-government strategy to improve health and wellbeing and reduce inequalities. This will shift the focus from simply treating illness to promoting health and wellbeing, reducing inequalities, and tackling the wider determinants of health, boosting economic growth, and supporting people to be active partners in their own health and wellbeing.

Digital Investment

By investing in digital and technology, there is an opportunity to help transform care and enable people to access information and treatment in a way that meets their needs and supports them to stay well. However, the current gap in funding digital programmes could disrupt progress on key digital programmes. Additionally, health and social care bodies must be supported to maximise the potential of digital innovations. This will enable people to access a wide range of health and care services from home, maintain their independence, health and wellbeing, and stay up to date with the latest information relating to their care.

We need robust investment in digital infrastructure to fully leverage the potential of digital technologies within the NHS. Such investment will strengthen digital functionality throughout patient pathways, enabling effective data to be captured for informed decision-making and provide the tools necessary for improved care delivery and greater efficiency.

NHS and the economy

As stated in our briefing, '[Investing in the NHS: Priorities for future government budgets](#)', the NHS plays a significant role in the economy and is considered an '[anchor institution](#)'. The NHS is well-positioned to use its spending power and resources to address adverse social, economic, and environmental factors that widen inequalities and contribute to poor health. Moreover, [research](#) by the NHS Confederation demonstrates that for every £1 invested in the NHS, the economy gets £4 back in gross value added (GVA). Furthermore, for every £1 spent on [primary and community care](#), there could be increased economic output (GVA) by £14.

When allocating budgets, the Welsh Government must acknowledge the NHS's significant contribution to economic activity and employment. As major employers, purchasers, and holders of capital assets, NHS organisations can leverage their spending power and resources to tackle the detrimental social, economic, and environmental factors that exacerbate inequalities and contribute to poor health.

Conclusion

NHS Wales organisations do not underestimate the significant challenges of public service budget-setting in the face of unprecedented challenges because of rising demand, inflationary pressures, elective care backlog and the cost-of-living crisis. However, NHS leaders, while understanding the government's current budgetary constraints, believe collaborative efforts with the government, all political parties, and public sector leaders are essential. This collaboration should focus on developing innovative solutions within a streamlined set of priorities that effectively balance immediate needs with a long-term vision.

Building a sustainable system requires a cross-sector approach to creating healthier and more prosperous communities, ultimately reducing future demand. Therefore, population health must be a central consideration in all government department budgets. It is vital to remember that this is not just about budgets, targets, and deficits; it's about people's lives, who will ultimately bear the brunt of this impact, as will the dedicated staff who strive to care for them daily.

Further information

If you would like further information on any of the issues raised in the briefing, please contact Nesta Lloyd – Jones on [REDACTED]

The Welsh NHS Confederation is the only membership body representing all the organisations making up the NHS in Wales: the seven local health boards, three NHS trusts (Velindre University NHS Trust, Welsh Ambulance Services University NHS Trust and Public Health Wales NHS Trust) and two special health authorities (Digital Health and Care Wales and Health Education and Improvement Wales). We also host NHS Wales Employers and are part of the NHS Confederation.

23 June 2025

Dear Peredur,

Re: Stakeholder Event on the Welsh Government Draft Budget 2026–27

On behalf of the Wales Women's Budget Group and the Women's Equality Network (WEN) Wales, we would like to extend our sincere thanks to the Finance Committee for the invitation to attend the stakeholder event on the Welsh Government draft budget 2026–27, held last Thursday.

Unfortunately, due to unforeseen circumstances, our representative was unable to attend. We very much regret missing the opportunity to participate. In lieu of our attendance, please find below a summary of our views on the key priorities and areas of scrutiny that we had hoped to contribute to the event.

Thank you again for including us in the process. We appreciate the Committee's continued commitment to engaging with stakeholders and look forward to future opportunities to contribute.

Yours sincerely,

Hannah Griffiths
Wales Women's Budget Group Coordinator

Dr Jessica Laimann
Women's Equality Network (WEN) Wales,
Policy and Public Affairs Manager

Stakeholder Event on the Welsh Government Draft Budget 2026–27

Written response by WWBG and WEN Wales

About the Wales Women's Budget Group (WWBG): WWBG is a registered charity, currently housed by the Women's Equality Network (WEN) Wales, which works with government and civil society in pursuit of a more prosperous and gender equal Wales. Bringing together leading economic thinkers, academics, policymakers and women's networks, the WWBG works to influence and inform public policy to promote a gender equal economy in Wales through the use of gender budgeting.

About the Women's Equality Network (WEN) Wales: Our vision is of a Wales free from gender discrimination where all women, men and non-binary people have equal authority and opportunity to shape society and their own lives. We work with our vibrant coalition of organisational and individual members to transform society. Our work sits under three pillars. We will Connect, Campaign and Champion women so our vision is realised.

1. How has the recent UK Spending Review changed expectations around funding for 2026-27?

- The 2025 UK Spending Review outlined the UK Government's spending priorities for the next three years. As the majority of the Welsh Government's funding comes from its Block Grant (80%), the Review has significant implications for future Welsh Government budgets.
- As indicated by the First Minister, the Spending Review announcements will result in an additional £5 billion for Wales over the next 3 years, with railways and coal tips representing key areas of UK Government investment here.¹ While these allocations are much needed, the £445 million invested in Welsh railways has been described as underwhelming by Wales Fiscal Analysis.² Similarly, the £118 million invested for coal tip safety have been described as insufficient given the scale of the problem.³
- The Chancellor also announced increased spending in areas of health care and social housing. Women across the UK stand to benefit from these announcements, seeing as they represent the majority of the health and social care workforce. Women are also more reliant on social housing due to their unequal economic position (discussed in question 2 below). As devolved policy areas, the Welsh Government will receive consequential funding through the Barnett Formula for these allocations. How the uplifts will be spent in Wales is up to the Welsh Government and will become clearer over the coming months.
- While the Spending Review has provided more funding for the Welsh Government's budgets over the next three years, it is important to note that the front-loaded nature of the Review allocations may necessitate funding cuts in future budgets.⁴ In this context,

¹ Welsh Government (2025), Welsh Government responds to UK Spending Review

<https://www.gov.wales/welsh-government-responds-uk-spending-review>

² Wales Fiscal Analysis (2025), Wales Fiscal Analysis: immediate response to rail funding announcement for Wales https://blogs.cardiff.ac.uk/thinking-wales/wales-fiscal-analysis-immediate-response-to-rail-funding-announcement-for-wales/#_ftn2

³ BBC Wales (2025), *Cash to make coal tips safe 'scratching the surface,'* <https://www.bbc.co.uk/news/articles/c5yxn3r2dryo>.

⁴ IWA (2025), IWA Analysis: Setting Wales' economic course – the Spending Review from a Welsh lens <https://www.iwa.wales/agenda/2025/06/iwa-analysis-setting-wales-economic-course-the-spending-review-from-a-welsh-lens/>

the small increase announced for local governments – which provide many of the vital public services that women rely on (childcare, housing, transport and social care) – is worrying.

2. Cost of living

a. How effective have Welsh Government budgets been in tackling the rising cost of living?

- The impacts of the pervading cost of living crisis have not been felt equally in Wales. Due to gendered employment patterns and an unequal share of caring responsibilities, women occupy an unequal position in Wales' economy. They are 2.5 times more likely than men to be working part-time, as well as in precarious and lower paid jobs.⁵ They are also more likely to be economically inactive than men, with 26.7% of women compared to 20.8% of men economically inactive in 2022-23).⁶ This is particularly acute for single mothers, ethnic minority, racialised and disabled women who face additional intersecting barriers to employment in Wales. As indicated by the latest data, the percentage of ethnic minority women who are economically inactive in Wales rose from 35% to 37.8% in 2024.⁷
- These inequalities mean that women earn less than men and thus have fewer savings overall, leaving them more vulnerable to the impacts and high costs of the continuing cost of living crisis. In this context, increased funding for the Discretionary Assistance Fund and the expansion of Warm Hubs in in the 2025-26 Budget is welcome. We also welcome its continued support of the Welsh Government's Council Tax Reduction Scheme as an essential form of support for lower income households and carers. However, it is disappointing that work to reform the regressive council tax system in Wales has been delayed until 2028 (see question 4 below).
- Although these hardship payments are vital interventions to tackle the rising cost of living and its unequal impact on women in Wales, it is important to emphasise that these are short term measures which do little to address the underlying causes of the crisis and help households cope in the longer term. To ensure that these measures amount to more than temporary sticking plasters, they must be accompanied by concerted efforts to address the structural causes of inequality in Wales.

b. How effective have the Welsh Government budgets been in tackling inequality and poverty?

c. What support could the Welsh Government offer in the 2026- 27 Budget for more effective targeting?

- The unequal economic position on women in Wales continues to push women – particularly single mothers – into debt and poverty as costs remain high. It also means that women are more reliant on public services for support, as well as being more likely than men to work within them and to become providers of last resort when services are cut. Reductions or cuts to public service provision therefore represent a 'triple whammy,' for women in the UK.⁸ In this context, we were pleased to see much needed investment in Wales' public services in the 2025-26 Final Budget:

⁵ WEN Wales (2024), State of the Nation 2024, [SON-Report-2024.English.pdf](#)

⁶ Ibid.

⁷ Annual Population Survey (APS) (2024), Employment status by gender and ethnicity July 2023-June 2024

⁸ UK Women's Budget Group (2022), The gendered impact of the cost-of-living crisis on public services, <https://wbg.org.uk/wp-content/uploads/2022/11/Gendered-impact-of-cost-of-living-crisis-on-public-services-1.pdf>

- **Healthcare and social care:** We welcome the increased investment in the Welsh NHS, which has a predominantly female workforce, to tackle waiting times and improve patient outcomes. With over a third of women in Wales economically inactive due to ill-health, we were particularly pleased to see £3 million allocated to strengthen women's health services and progress the 10-year plan for women in Wales.⁹ We were also encouraged to see Welsh Government acknowledge the value of social care and the need for a holistic approach to funding health and social care in Wales. This was reflected in the additional £30million allocated for social care in the Final Budget to tackle delayed hospital discharges. With a predominantly female workforce, the allocated support to help local authorities pay carers the Real Living Wage is also a positive announcement. However, with Welsh local authorities facing funding shortfalls of £450 million in 2026-27, it is unlikely that the announced funding for social care will meet cost pressures and help to address the significant issues of recruitment and retention across the sector.¹⁰ Doing so requires urgent action to tackle the prevalence of precarious, zero-hour contracts, lack of job security, and shortage of training and progression opportunities within the sector.
- **Childcare:** With over a quarter of women in Wales economically inactive due to caring responsibilities, the lack of accessible and affordable childcare provision remains a key driver of inequality here.¹¹ We were therefore pleased to see an increase in the hourly rate paid to childcare providers, the majority of whom are women, in the 2025-26 Draft Budget. Further, the late allocation of £30million to support the expansion of Flying Start in the Final Budget is a positive step towards ensuring provider sustainability. Nevertheless, the phased expansion of Flying Start only amounts to 12.5 hours per week/2.5 hours a day. Research shows that funded childcare in the region of 15 hours or less is largely ineffective in addressing parental employment, whereas expanding entitlements to 30 hours leads to significant increases in labour force participation and employment of mothers whose youngest child is eligible.¹² More funding and concerted action is needed to address the fragmented, inaccessible and unaffordable nature of childcare provision in Wales and deliver the support mothers in Wales desperately need.
- **Violence Against Women and Girls, Domestic Abuse and Sexual Violence:** It is positive to see £1.2 million was allocated to support the delivery of the *Violence against Women and Domestic Abuse and Sexual Violence Strategy* and provide survivors with essential support and advice. However, with providers facing cost and demand pressures at an all-time high, and likely to increase with rises to employer national insurance contributions, there remains a pressing need to develop a more sustainable legislative and funding framework for VAWDASV specialist services in Wales.

⁹ WEN Wales (2024), State of the Nation, [SON-Report-2024.English.pdf](#)

¹⁰ BBC News (2025), Council tax 'costs more than my utilities' after rise
<https://www.bbc.co.uk/news/articles/ckgenygz3p3o>

¹¹ WEN Wales (2024), State of the Nation 2024, [SON-Report-2024.English.pdf](#)

¹² Institute of Fiscal Studies (2022), Does more free childcare help parents work more?
<https://ifs.org.uk/publications/does-more-free-childcare-help-parents-work-more>

- Gender budgeting remains a key tool at the Welsh Government's disposal to tackle inequality and mitigate unequal gendered impacts of spending decisions in Wales. To ensure that spending decisions are subject to robust, evidence-based impact assessment and to avoid unequal gendered impacts such as those discussed above, the Welsh Government must progress with the roll out of gender budgeting as a matter of urgency.
 - We were pleased to see some progress in this area over the past few years within the Welsh Treasury. This includes, for example, the development of an online gender budgeting resource for government officials and policymakers and the ongoing work to incorporate gender budgeting questions within the Welsh Government's departmental Equality and Human Rights Impact Assessment. Both of these are important first steps in embedding a gender lens within the decision-making process. We also welcome the continued work being undertaken by treasury officials and other stakeholders through the Budget Improvement and Impact Advisory Group (BIIAG) to review the Strategic Integrated Impact Assessment (SIIA) published alongside the Draft Budget.
 - Despite commitments to for their publication in 2025, we are still awaiting the evaluation of the Welsh Government's remaining two gender budgeting pilots – Young Person's Guarantee and E-Move – which were scheduled to end in 2022-23. Given the context-specific nature of gender budgeting as an approach – gender budgeting works best when it is specific to the political, cultural and structural context at hand – these context-specific learnings are crucial to informing plans for the wider roll out of gender and therefore must be clarified without delay.¹³

3. Economy and infrastructure

a. Is the Welsh Government investing in the right infrastructure to support the economy?

b. What can the Welsh Government do to enable Wales to prosper?

- Despite some recent investments, a lack of affordable, high-quality childcare and social care means that parents and unpaid carers have to fill the gaps, often by leaving work or reducing their hours. This not only reduces the incomes of parents and carers but contributes to labour and skills shortages in Wales.
 - This disproportionately impacts women, who make up almost 90% of single parents and 60% of unpaid carers.¹⁴ Women are 2.5 times more likely than men to be working part-time, and more likely than men to be economically inactive.¹⁵ Often, this is a direct consequence of their unequal caring responsibilities.
 - 60% of parents of pre-school children who are using formal childcare say they childcare arrangements do not allow them to work or study as much as they

¹³ OECD (2023), Best Practices for Gender Budgeting [pdf](#)

¹⁴ WEN Wales & Oxfam Cymru (2024), Feminist Scorecard, https://wenwales.org.uk/wp-content/uploads/2024/11/Feminist-Scorecard-Report-2024_ENG_DIGITAL.1.2.pdf

¹⁵ WEN Wales (2024), State of the Nation 2024, [SON-Report-2024.English.pdf](#)

would like.¹⁶ According to Carers Wales, the value of unpaid care in Wales is over £10 billion per year.¹⁷

- To enable Wales to prosper, care needs to be recognised as part of the essential infrastructure that underpins our economy and society and investments in childcare, social care and support for unpaid carers should be prioritised accordingly.

4. Third sector and volunteering

a. How can the Welsh Government support third sector organisations as they deal with financial challenges and increased demand for some services as a result of the cost of living crisis?

- The precarity and pressures faced by the Welsh third sector is at an all-time high. The sector has been hit successively by the loss of EU funding, rising cost pressures, increased demand and most recently increased employer National Insurance Contributions. Over 50% of Welsh community organisations are experiencing increased service demand as their income has decreased, leading to job losses and cuts to essential services and support.¹⁸ As noted by the WCVA, this has meant that 43% of surveyed third sector organisations in Wales had to actively reduce staff numbers in 2023.¹⁹ In some cases, this has resulted in the regrettable closure of longstanding organisations such as Chwarae Teg, which represented a significant setback in the fight for gender equality in Wales.
- The impact on the women's sector is especially severe, as it is already seriously underfunded. Research by the Rosa Foundation showed that only 1.8% of the total grants awarded to charities in the UK in 2021 went to women and girls focused activity.²⁰
- Thus, while the uplifts to Equality Inclusion and Human Rights budget and the additional £1million package of support allocated in the 2025-26 Final Budget is welcome, it is unlikely to halt the loss of capacity and expertise in Wales' rapidly contracting third sector. This is particularly the case in the context of cuts to the Social Justice budget, the majority of which emanated from the Equality Inclusion and Human Rights budget, in the preceding 2024-25 Welsh Government Budget.²¹ The charity sector, particularly the women's sector, requires urgent, adequate action and targeted support to protect its sustainability and ability to advocate for the most vulnerable in our society.

5. Taxation

a. How should the Welsh Government use its tax raising and borrowing powers and do you feel these powers are appropriate to deliver its policies?

¹⁶ Figures based on an online survey of 780 parents and carers of children aged 0-4 years, which ran from mid-March to mid-May 2025 and was carried out by Arad Research on behalf of WEN Wales. The question on work and study was answered by 573 parents.

¹⁷ Carers Wales (2024), Track the Act, <https://www.carersuk.org/media/x5odnlk5/track-the-act-6-english-compressed.pdf>

¹⁸ Building Communities Trust (BCT) (2024), Beyond Essentials: Community Responses to the Cost of Living Crisis [Beyond Essentials: Community Responses to the Cost-of-Living Crisis](#).

¹⁹ WCVA (2023), The aftermath of an afterthought [The aftermath of an afterthought - WCVA](#)

²⁰ Rosa (2023), Mapping the UK Women and Girls Sector and its Funding: Where Does the Money Go? <https://rosauk.org/publications/mapping-research/>

²¹ WWBG and WEN Wales (2023), Wales Women's Budget Group (WWBG) and Women's Equality Network (WEN) Wales joint submission to the Finance Committee: Welsh Government Draft Budget proposals for 2024-25 [WWBG-and-WEN-Wales-response-to-Finance-Committee-re-WG-Draft-Budget-24-25.pdf](#)

- We have long criticised the inflexibility of Welsh Government's taxation and borrowing powers. Notwithstanding a small number of devolved taxes – Welsh rates of income tax, council tax, non-domestic rates, Land Transaction Tax and Landfills Disposal Tax – the Welsh Government have limited tools at its disposal to manage its budget from year to year and are largely dependent on funding from their Block Grant from the UK Government. This 'lack of fiscal firepower' constrains the policymaking potential of the Welsh Government in highly gendered areas such as health care, social care and childcare.
 - **Council Tax:** One of Welsh Government's key revenue raising areas is council tax, a tax charged per property based on outdated property valuations from 2003. As council tax is not based on income or taxpayers' ability to pay, it is a regressive tax which disproportionately impacts those on lowest incomes, who are more likely to be women (see the unequal economic position of women in Wales discussed in question 2 above). In this context, we welcome the continued support for the Council Tax Reduction Scheme and the consultation work currently ongoing to improve the fairness of the system. However, with the largest council tax increases in two decades currently being experienced in Wales (an average of 7.2% across all Welsh local authorities), concerted action is needed to reform the system.²² The delay to the revaluation of council tax until 2028 is therefore highly regrettable. Furthermore, while current council tax rates are already unsustainable, the WLGA has predicted funding shortfalls of £450million for Welsh local authorities in 2026-27.²³ This will likely lead to more regressive council tax rises which will disproportionately impact those who are on lower incomes and already struggling to pay. To protect the most vulnerable households, the Welsh Government must accelerate its work towards a more fair and progressive council tax system in Wales.
 - **Income Tax:** While income tax is more progressive than council tax, there is limited scope to use it as a fairer means to raise revenue in the Welsh context. Unlike in Scotland, the Welsh Government cannot adjust income tax bands (which are formulated on a UK basis) or create new ones. Instead, under Welsh rates of income tax, the Welsh Government can amend the top 10p paid by Welsh taxpayers in every £1 of income in each tax band (Basic, Higher, Additional). As noted by Wales Fiscal Analysis, current income tax thresholds are not suitable to income levels in Wales, where 93% of taxpayers pay the basic rate.²⁴ The Welsh Government must continue to make the case for further devolution of taxation powers to Wales, to allow more flexibility and to respond to the needs of Welsh taxpayers.
 - **Borrowing:** As noted by the IWA, the Welsh Government's current borrowing cap 'embeds expensive borrowing and essentially bans cheaper forms of borrowing

²² BBC News (2025), Council tax 'costs more than my utilities' after rise
<https://www.bbc.co.uk/news/articles/ckgeny kz3p3o>

²³ Ibid.

²⁴ Wales Fiscal Analysis (2023), The medium-term fiscal outlook for local government in Wales,
https://www.cardiff.ac.uk/_data/assets/pdf_file/0007/2779342/The-medium-term-fiscal-outlook-forlocal.pdf

above a certain level.²⁵ This arrangement locks Wales into lower levels of development than other parts of the UK. To address this, the Welsh Government should continue to call for and explore the case for the devolution of prudential borrowing powers with the new UK Government.

6. Transparency

- a. **How should the Welsh Government explain its funding decisions, including how its spending contributes to addressing policy issues?**
- b. **How can the documentation provided by the Welsh Government alongside its Draft Budget be improved?**

- Successful external scrutiny of budgetary decisions requires transparency in government processes and assessments. As external stakeholders, our main source of information on the rationale and impact of funding decisions published alongside the Draft Budget is the Strategic Integrated Impact Assessment (SIIA). The SIIA aims to identify strategic and cumulative impacts on different areas and groups, so as to reduce disproportionate impacts on any one specific group or area and help to reduce inequalities.
- While this approach is commendable, there have been long standing issues with the transparency of the SIIA and the quality of impact assessment within it. The SIIA's value for understanding the gendered impact of spending decisions is generally limited due to the lack of transparency on the information fed in from Integrated Impact Assessments (IIAs) and wider evidence at the portfolio level. Without any linking to IIAs or other evidence substantiating the SIIA narrative conclusions, it is impossible fully understand the gendered impact of spending decisions or the extent to which they are driven by robust data and evidence.
- The ongoing SIIA Review presents a key opportunity to address this and improve practice by publishing the IIAs in a central repository and/or linking to them within the SIIA itself. Other areas for improvement include:
 - Better linking to MEG/BEL tables so that stakeholders can contextualize spending decisions, cross referencing them to actual budget lines and tracking their development historically.
 - Use of case studies to provide in-depth detail on the impact assessment of a small number of key decisions within the Budget.

For more information please contact:

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Women's Equality Network (WEN) Wales,
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²⁵ Institute of Welsh Affairs (IWA) (2022), Fiscal Firepower: Effective Policy-Making in Wales [IWA -Fiscal-Firepower-and-Effective-Policy-Making.pdf](#)

Mark Drakeford AS/MS
Ysgrifennydd y Cabinet dros Gyllid a'r Gymraeg
Cabinet Secretary for Finance and Welsh Language



Llywodraeth Cymru
Welsh Government

Peredur Owen Griffiths MS
Chair of Finance Committee
Senedd Cymru
Cardiff Bay
CF99 1SN

1 July 2025

Dear Peredur,

I am writing to you to confirm my intention to publish the 2026-27 Outline Draft Budget on 14 October 2025 and the Detailed Draft Budget on 3 November 2025. This will follow the Two Stage Budget Process set out in our Budget Protocol. Following a period of scrutiny, and time to reflect on its outcomes, I will then publish the Final Budget on 20 January 2026 and bring forward a debate in the Senedd on 27 January 2026.

It is my intention to announce these dates in an oral statement in plenary on Tuesday 1 July. I will also set out the Welsh Government's high-level strategy for the 2026-27 Budget providing members with significantly more information than I am usually able to provide at this point in the year. This reflects my commitment to sharing as much as possible, as early as possible, with the committee and with the Senedd.

Following the UK Government's Spending Review we now have certainty over a large proportion of our funding. Whilst our tax forecasts will not be updated until the UK Government's Autumn Budget, I believe it is right to publish our own budget early in the autumn term allowing us to conclude the 2026-27 Budget well in advance of next year's Senedd elections. This is important as we have a shared responsibility across the Senedd to agree a budget that provides certainty and stability to critical public services ahead of the election period.

The timetable I am announcing balances the need for the Welsh Government to have the time to effectively undertake our budget preparations with the importance of providing the members with the maximum possible time for scrutiny in the Senedd. In developing this timeline I have been mindful of both Standing Order 20.5 and the arrangements agreed between the Welsh Government and the Senedd in the Budget Protocol. The publication dates allow for almost 9 weeks of scrutiny of the outline Draft Budget, and more than 5 weeks for scrutiny of the detailed Draft Budget.

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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.

These dates will require the Finance Committee to publish its report on the Draft Budget on or before **Monday 15 December** to enable the debate on the Draft Budget to take place on Tuesday 16 December, in the final week of the autumn term before the Christmas recess period.

As this is the first time for some years that we have been able to follow the two-stage process I am keen that we work together to fully understand what this will mean in practice. Additionally, I am grateful to you for your letter of 16 June setting out the detailed feedback you have collected from other committees on the changes and information they would like to see this year. I have asked my officials to carefully consider this as part of our budget planning, and to discuss in more detail with the committee clerk to ensure that we provide you with the appropriate information, at the right time, in our budget documentation.

Under Standing Order 20, the Trefnydd is also writing to the Business Committee today to set out the timetable for when the 2026-27 Draft Budget will be laid, and when the annual budget motion for the Final Budget will be tabled.

I am grateful to the Finance Committee for its continued support in ensuring the process for laying and scrutinising the budget runs smoothly. I look forward to meeting with the committee in due course to discuss the 2026-27 Budget and how it will deliver stability for the people of Wales.

Yours sincerely,



Mark Drakeford MS
Cabinet Secretary for Finance and Welsh Language
Ysgrifennydd y Cabinet dros Gyllid a'r Gymraeg

Mark Drakeford AS/MS
Ysgrifennydd y Cabinet dros Gyllid a'r Gymraeg
Cabinet Secretary for Finance and Welsh Language



Llywodraeth Cymru
Welsh Government

Peredur Griffiths MS
Chair of the Finance Committee
Welsh Parliament
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01 July 2025

Dear Peredur,

We are now into our eighth year of administering devolved taxes in Wales. Since April 2018 over 400,000 Land Transaction Tax and Landfill Disposals Tax returns have been filed with the Welsh Revenue Authority (WRA) generating over £300 million per annum in revenues to fund public services in Wales.

Through its administration of devolved taxes in Wales, the WRA has developed significant expertise in the operation of the legislation that underpins these two taxes, as well as the Tax Collection and Management (Wales) Act 2016. This includes valuable insight into how these taxes can be clarified and improved. I have therefore asked officials at the WRA, with assistance from Welsh Government officials, to start the work required to introduce a Bill proposing enhancements for consideration by the seventh Senedd. I intend for this government to consult on proposals, but it will be for the next government to decide whether and how to act on the results of the consultation.

My officials are also preparing a Green Paper to meet the requirements placed on the Welsh Ministers by section 6 of the Welsh Tax Acts etc. (Power to Modify) Act 2022 to publish the conclusions of their review by 8 September 2026. That section includes a requirement for the Welsh Ministers to consult with the Senedd and I look forward to your Committee's engagement in that consultation following publication of the Green Paper.

Both these strands of work are important in the development of our devolved taxes journey and finding the appropriate solution for making changes to our taxes. Together with our ongoing consideration of how the Budget Process Protocol between the Senedd and the Welsh Government can best operate in future, these have the potential to become cornerstones of our future fiscal arrangements.

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FIN(6)-18-25 PTN 3.

I would very much like to meet to discuss these two matters with you, and my office will be in touch with yours to find a mutually convenient date before the summer recess.

Yours sincerely,

A handwritten signature in black ink that reads "Mark Drakeford". The signature is written in a cursive style with a large initial 'M'.

Mark Drakeford AS/MS

Ysgrifennydd y Cabinet dros Gyllid a'r Gymraeg
Cabinet Secretary for Finance and Welsh Language

Rebecca Evans AS/MS
 Cabinet Secretary for Economy, Energy and Planning
 Ysgrifennydd y Cabinet dros yr Economi, Ynni a Chynllunio



Llywodraeth Cymru
 Welsh Government

Our ref: DC-RE-00412-25

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

SeneddLJC@senedd.wales

01 July 2025

Dear Mike,

Further to my letter of 30 April, I have issued a [Written Statement: Inter-Ministerial Group for Business and Industry \(1 July 2025\) | GOV.WALES](#) summarising discussions at the most recent meeting of the Inter-Ministerial Group for Business and Industry, held on 6 May 2025. A communique regarding this meeting will be published on the [UK Government website](#).

The next Business and Industries IMG is due to take place in September and I will write to the Committee confirming the date once it has been agreed.

I am copying this letter to the Chairs of the Finance Committee and the Economy, Trade and Rural Affairs Committee.

Yours sincerely,

Rebecca Evans AS/MS
 Cabinet Secretary for Economy, Energy and Planning
 Ysgrifennydd y Cabinet dros yr Economi, Ynni a Chynllunio

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Agenda Item 7

Ysgrifennydd y Cabinet dros Gyfiawnder Cymdeithasol, y
Trefnydd a'r Prif Chwip
Cabinet Secretary for Social Justice, Trefnydd and Chief Whip



Llywodraeth Cymru
Welsh Government

Ein cyf/Our ref JH/PO/281/25

Peredur Owen Griffiths MS
Chair
Finance Committee
Welsh Parliament
Cardiff Bay
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11 June 2025

Dear Peredur,

Thank you for your letter of 9 May in respect of this review.

I wish the Committee well with its review. The Ombudsman plays a very important role in the provision of Public Services and ensuring that the citizens of Wales have a recourse available to them when the services fall below what it expected.

Our response to the questions provided are as follows.

1. To what extent has the Public Services Ombudsman (Wales) Act 2019 (the 2019 Act) been successful in future proofing the powers of the Public Services Ombudsman for Wales (the Ombudsman); do you see any gaps or issues that have arisen since the 2019 Act was enacted?

We consider the Act to have been successful and we have not identified any gaps or issues since it was enacted.

2. Do the changes implemented through the 2019 Act continue to reflect best practice in terms of Ombudsman bodies within the UK and internationally?

The Welsh Government has limited experience of other Ombudsmen bodies, but we are not aware of anything which might require being added to the Act.

3. Under Section 4 of the 2019 Act, the Ombudsman has power to undertake own initiative investigations, whether or not a complaint has been received. Is the 2019 Act enabling the Ombudsman to make best use of their own initiative powers?

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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.

It is our understanding that it was always the intention of the legislation for these powers to be used sparingly. We have no reason to think that the Ombudsman is not making the best use of them.

4. The Northern Ireland Public Services Ombudsman said there is an argument for the removal of the requirement for the Ombudsman to generally consult those who may be affected or have an interest prior to launching an own initiative investigation. Would this be beneficial for the Ombudsman and what difference would it make?

Removal of the requirement to consult might not be beneficial to the Ombudsman in the longer term as it may result in less cooperation from those affected by an own initiative investigation.

5. If there is evidence of systemic maladministration in an own initiative investigation, the Ombudsman may make recommendations to public bodies they investigate, but not wider recommendations to other public services in the same sector. Should the Ombudsman be able to make sector wide recommendations?

While we think it is important for lessons to be learnt from any investigations conducted by the Ombudsman, we believe it is also important for the Ombudsman not to have their actions confused with the role played by Audit Wales. We think there is a danger, if this power was given to the Ombudsman, that there would be a blurring of roles between the Ombudsman and that of Audit Wales. It might be more appropriate for Audit Wales to pick up wider recommendations.

6. During the legislative process for the 2019 Act, some witnesses raised concerns that own initiative powers may lead to the Ombudsman duplicating the work of other regulatory bodies. Are you confident this has been avoided since the implementation of the 2019 Act?

We are not aware of any instances of duplication.

7. One of the new powers in the 2019 Act was the ability to accept complaints other than in writing. What impact do you think the power for the Ombudsman to accept complaints in a form other than writing (often referred to in the context of oral complaints) has had for citizens in Wales, particularly the most vulnerable in society?

We think this has been a beneficial move.

8. The 2019 Act required the Ombudsman to publish a statement of principles concerning complaints-handling procedures of the bodies within their jurisdiction, as listed in Schedule 3 to the 2019 Act (the 'listed authorities'). It also enabled the Ombudsman to publish model complaints-handling procedures for the listed authorities, as well as monitor complaint handling by them. Have these extended complaints handling powers been successfully implemented by the Ombudsman and public bodies; have these have been effective and achieved the desired outcomes?

We think that the Ombudsman discharged these powers successfully and our perception is that there has been an improvement of complaint handling procedures by the listed authorities. We also note, though, that there is still room for improvement – including in the Welsh Government, of course - and it is important for the progress made in recent years to be maintained and consolidated.

9. The Ombudsman told the Finance Committee she had not yet used the powers relating to private health care but the rationale to retain this power “remains as strong as ever”. Do you agree?

We agree.

10. The Ombudsman is unable to consider school complaints (other than school admission, exclusion and appeal decisions) and has called for their jurisdiction to be widened to address this. Can you outline what the potential consequences and opportunities of this may be and what barriers may be in place to this change?

While we can see benefits to this approach, there are considerable issues which would need to be taken into account. The Welsh Government would want to consider its position further if this was to be pursued.

11. The Ombudsman said the removal of the “statutory bar” (which prevents the Ombudsman from investigating a complaint that could be considered in the courts) would further strengthen public confidence in its office and lead to greater justice for citizens in Wales. Would this be appropriate?

We have only limited experience of cases which might fall into this category and so are unable to offer an opinion.

12. As part of its report on the Consideration of the PSOW’s powers (May 2015), the Fourth Senedd’s Finance Committee concluded that no changes should be made to the statutory bar, citing the issue of competence, but that the Welsh Government should explore the issues with the UK Government as part of future devolution discussions. Can the Cabinet Secretary outline what, if any, discussions have taken place with the UK Government since the enactment of the PSOW Act 2019 regarding the statutory bar?

As far as we have been able to ascertain, no such discussions have taken place.

13. Do you have any other comments regarding the 2019 Act which are relevant to the Committee’s Terms of Reference for this inquiry?

We have no further comments to add.

Yours sincerely,



Jane Hutt AS/MS

Ysgrifennydd y Cabinet dros Gyfiawnder Cymdeithasol, y Trefnydd a'r Prif Chwip
Cabinet Secretary for Social Justice, Trefnydd and Chief Whip

Peredur Owen Griffiths MS
Chair Finance Committee

18 June 2025

Dear Peredur,

Post-legislative review of the Public Services Ombudsman (Wales) Act 2019

1. Thank you for the invitation to attend the Committee's meeting on 7 May 2025. I am very happy to respond to the two follow up questions in your letter of 14 May 2025.

Engagement with stakeholders on complaints standards and feedback from public bodies.

2. We have regular engagement with stakeholders across a range of topics including standards. In terms of formal engagement on the standards, there was consultation and engagement on the first principles and procedures before the principles were approved by the Scottish Parliament. When developing the sector-specific procedures, this was supplemented with additional engagement with stakeholders in each sector to ensure that they were fit for purpose.
3. When developing the Child-friendly complaints principles, we undertook a full co-design process involving children, young people, parents and other stakeholders before, again, holding a public consultation and laying these before the Scottish Parliament for approval.
4. Finally, we recently held another public consultation on the principles, and a refreshed version has just been approved by the Scottish Parliament.
5. Turning to feedback, the feedback we have from public bodies has been largely positive. We engage regularly with a number of complaint handling networks which are comprised of complaint handlers from public bodies. This allows us to hear from those directly applying the standards. We have also undertaken surveys in



the past, which again, were largely positive although not exclusively focused on the standards themselves.

6. Academic interest in complaints procedures is, unfortunately, not high but in 2017 a research study looked directly at local authority experience of the procedures. A key finding of that study was that:

- 6.1. “Our research suggests that there has been full compliance by local authorities with their duties to adopt new complaint handling procedures consistent with the model CHP. In general, local authority complaint staff consider that there are definite advantages to the model CHP and no major disadvantages.”.¹

Best Practice Comparison

7. Since the approval of the Venice Principles in 2019, there are now internationally recognised standards for Parliamentary Ombudsman. We have not conducted a full analysis of the Welsh legislation against this, but we have reviewed our own legislation, and this provided us with assurance that, as far as it is appropriate, we are broadly in line with those international standards. The Public Services Ombudsman (Wales) Act 2019, which has the added benefit of own initiative procedure, would likely also meet these requirements.
8. During the meeting, I noted that the experience of the two UK Ombudsman who currently hold own initiative powers and that suggested that the legislative approach in NIPSO to the initiation of own initiative investigations was more flexible and effective. I would reaffirm that view.

Yours sincerely

Andrew Crawford
Acting Scottish Public Services Ombudsman

¹ *Mullen, T. , Gill, C. and Vivian, N. (2017) Scotland's Model Complaint Handling Procedures: Exploring Recent Developments and the Usefulness of Complaint Data for Administrative Justice Research.*
<https://eprints.gla.ac.uk/155556/7/155556.pdf>

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Reference: AC504/caf

Date issued: 19 June 2025

Dear Peredur

Post-legislative review of the Public Services Ombudsman (Wales) Act 2019

Thank you for your letter of 9 May 2025. I attach responses to your written questions in the annex to this letter.

I hope that is helpful. I would of course be happy to discuss further.

Yours sincerely



ADRIAN CROMPTON
Auditor General for Wales

Post-legislative review of the Public Services Ombudsman (Wales) Act 2019: issues for consideration

Effectiveness of the legislation

1. To what extent has the Public Services Ombudsman (Wales) Act 2019 (the 2019 Act) been successful in future proofing the powers of the Public Services Ombudsman for Wales (the Ombudsman); do you see any gaps or issues that have arisen since the 2019 Act was enacted?

We do not see any gaps or issues arising from the 2019 Act. However, as it has not been part of our work programme to assess the ongoing exercise of the Ombudsman's powers, we are not in a position to assess success in future proofing.

2. Do the changes implemented through the 2019 Act continue to reflect best practice in terms of Ombudsman bodies within the UK and internationally?

We consider that the changes implemented through the 2019 Act continue to reflect good Ombudsman practice. In particular, we continue to consider that:

- i. own initiative investigations should enable wider systemic problems to be addressed coherently;
- ii. enabling easier submission of oral complaints should be beneficial for vulnerable people;
- iii. there is merit in considering healthcare coherently, where both privately obtained and publicly provided care is involved; and

- iv. there is scope for improvements in practice, or at least maintenance of good practice, and efficiencies through model complaints-handling procedures and guidance across public bodies.

However, it has not been part of our work programme to assess the 2019 Act in terms of best practice, so we are not in a position to say whether it has enabled the achievement of such practice.

New powers

3. Under Section 4 of the 2019 Act, the Ombudsman has power to undertake own initiative investigations, whether or not a complaint has been received. Is the 2019 Act enabling the Ombudsman to make best use of their own initiative powers?

We think the requirement in section 4 for consultation before exercising own initiative powers is helpful for ensuring best use of such powers, as is the requirement to consult under section 68. We certainly appreciate the opportunity to comment on the Ombudsman's proposals, as this helps ensure the avoidance of overlapping work.

4. The Northern Ireland Public Services Ombudsman **said** there is an argument for the removal of the requirement for the Ombudsman to generally consult those who may be affected or have an interest prior to launching an own initiative investigation. Would this be beneficial for the Ombudsman and what difference would it make?

This does not seem appropriate. Aside from potentially reducing procedural fairness, it may have a harmful effect on service delivery in practice. Removing the consultation requirement would disadvantage public bodies that need some "space" to address resourcing problems. The loss of consultation would reduce the opportunity for bodies to explain such needs and would potentially reduce the likelihood of the Ombudsman taking account of that position in deciding whether it is appropriate to launch an investigation.

Removing the requirement for consultation would also raise the risk of wasting resources through duplication. See Q3 above and Q6 below.

5. If there is evidence of systemic maladministration in an own initiative investigation, the Ombudsman may make recommendations to public bodies they investigate, but **not wider recommendations to other public services in the same sector**. Should the Ombudsman be able to make sector wide recommendations?

We do not see the need for such a bar on wider recommendations.

6. During the legislative process for the 2019 Act, **some witnesses raised concerns** that own initiative powers may lead to the Ombudsman duplicating the work of other regulatory bodies. Are you confident this has been avoided since the implementation of the 2019 Act?

As we have not encountered any instances of duplication between the Ombudsman's own initiative investigations and our examinations and studies, we consider that duplication has successfully been avoided.

7. One of the new powers in the 2019 Act was the ability to accept complaints other than in writing. What impact do you think the power for the Ombudsman to accept complaints in a form other than writing (often referred to in the context of oral complaints) has had for citizens in Wales, particularly the most vulnerable in society?

We continue to consider that the power to accept complaints in a form other than in writing should be beneficial for vulnerable people, and we see it as conducive to the principle of accessibility, but we have not examined the use of this power in practice, so cannot comment further.

8. The 2019 Act **required** the Ombudsman to publish a statement of principles concerning complaints-handling procedures of the bodies within their jurisdiction, as listed in **Schedule 3 to the 2019 Act** (the 'listed authorities'). It also **enabled** the Ombudsman to publish model complaints-handling procedures for the listed

authorities, as well as monitor complaint handling by them. Have these extended complaints handling powers been successfully implemented by the Ombudsman and public bodies; have these have been effective and achieved the desired outcomes.

It has not been part of our work programme to examine the Ombudsman's exercise of functions relating to producing a statement of principles concerning complaints handling and model procedures, nor any corresponding implementation by public bodies. We are, therefore, not in a position to comment further.

9. The Ombudsman **told** the Finance Committee she had not yet used the powers relating to private health care but the rationale to retain this power “remains as strong as ever”. Do you agree?

Yes, we agree. We consider that the rationale still applies—it should enable a coherent approach to considering health care that involves private sector provision.

The Ombudsman's jurisdiction

10. The Ombudsman is unable to consider school complaints (other than school admission, exclusion and appeal decisions) and has **called for their jurisdiction to be widened to address this**. Can you outline what the potential consequences and opportunities of this may be and what barriers may be in place to this change?

We consider that extending the Ombudsman's jurisdiction to the full range of school complaints may lead to an increase in the Ombudsman's workload. We are not aware of any estimates of the volume of such an increase, so we would suggest such an estimate is obtained in case the proposal leads to a significant additional call on PSOW's resources. We also consider that it would be prudent to consider how the Ombudsman's proposed role would fit with the functions of Estyn, so as to ensure co-ordination and avoid applying public money to overlapping work.

11. The Ombudsman **said** the removal of the “statutory bar” (which prevents the Ombudsman from investigating a complaint that could be considered in the courts) would further strengthen public confidence in its office and lead to greater justice for citizens in Wales. Would this be appropriate?

Given the potential additional cost to the public purse, we would be concerned if the removal of the statutory bar meant that complainants had not just a choice of remedy (i.e. one or the other) but two remedies to pursue. Furthermore, as we understand it, the statutory bar does not apply if the Ombudsman is satisfied that in the particular circumstances it is not reasonable to expect the person to resort to court, we are not sure that there is a pressing case for the removal of the statutory bar.

The financial implications of the 2019 Act

12. Have the costs associated with the new powers in the 2019 Act delivered the level of expected benefits and if not why?

We do not consider it possible to comprehensively and reliably quantify the delivered benefits, let alone to link them to particular costs.

In terms of costs, we can only consider the Ombudsman in the round rather than in terms of specific functions. Most of the Act’s relevant provisions commenced in July 2019. The cost of the Ombudsman, in terms of net revenue outturn before adjustment for inflation, increased by 19% between 2019-20 and 2023-24 (with significant fluctuations both up and down between certain individual years): £5,736,000 in 2023-24 from £4,181,000 in 2019-20. The real terms increase (i.e. adjusted for inflation using the GDP deflator) however, has been quite modest at 0.28%. This suggests that any benefits of the new legislation have been delivered by little real terms increase in costs.

We consider that the Act may have contributed to the significant increase in the number of complaints handled by the Ombudsman since 2019—caseloads have risen by 37% since 2019 (most of the Act’s relevant provisions commenced in July 2019). But we consider that other factors, such as the effects of the Covid

pandemic on public services and the ongoing effects of austerity will have also influenced the caseload trend, and we do not consider it possible to separate these effects. (We understand the Ombudsman has completed two "own initiative examinations" but has not exercised the new ability to investigate private health cases, so we do not think it is likely that those particular new powers will have caused significant costs.)

13. How accurate or otherwise do you see the **Regulatory Impact Assessment** to be 6 years on?

As noted under Q12, we do not consider it possible to separate the effects of the 2019 Act from other effects. However, overall, we consider that the Regulatory Impact Assessment was reasonable rather than unrealistically optimistic. After allowing for inflation, it would seem that the RIA estimate of additional annual cost was if anything too high rather than too low, but that would seem to be reflective of a prudent approach.

Any other comments

14. Do you have any other comments regarding the 2019 Act which are relevant to the **Committee's Terms of Reference** for this inquiry?

The provisions for audit in the 2019 Act are the best in any Welsh legislation, as they provide for both sensible arrangements for dealing with unavoidable delays in audit and for proportionate ongoing consideration of whether the Ombudsman has made proper arrangements for securing value for money. It would be helpful if this model were more widely applied in legislation.



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Dear Peredur,

Post-Legislative Review of the Public Services Ombudsman (Wales) Act 2019

Thank you for the opportunity to contribute to the Finance Committee's post-legislative scrutiny of the Public Services Ombudsman (Wales) Act 2019. While ADSS Cymru was unable to attend the oral evidence session, we welcome the chance to provide written reflections on behalf of our members.

Local authorities across Wales recognise and value the important role of the Ombudsman in promoting accountability, supporting redress, and driving improvement in public services. Our members are committed to working constructively with the Ombudsman and fully support the principle of independent scrutiny.

At the same time, our experience - particularly in relation to the recent own-initiative investigation into carers' services - highlights opportunities to strengthen the way these powers are applied in practice. We share the following reflections not as criticism, but in the spirit of learning and mutual improvement, with a focus on how the Ombudsman's work can best complement existing systems and legislative frameworks within social care.

We have organised our comments under three broad themes:

1. Transparency and Clarity in Methodology, Scope, and Process

Several authorities involved in the recent investigation reported uncertainty about how the investigation was initiated, including the rationale for selecting the carers' services theme and the criteria used to identify participating councils. In practice, this made it challenging for local teams to respond effectively to information requests, which were extensive and issued at short notice, often with limited accompanying guidance.

We appreciate the complexity of undertaking such an ambitious piece of work, particularly in a sensitive policy area. However, clearer communication around purpose, methodology,

and opportunities for engagement would have supported greater mutual understanding and more meaningful contributions. For instance, offers from local authorities to facilitate direct conversations with carers and frontline staff were not taken up - resulting in an evidence base that felt somewhat removed from lived experience.

While we acknowledge the Ombudsman's intent to uphold high standards of administration, the format and tone of the resulting report - combined with short response times and limited space for dialogue - led to concerns that the conclusions did not fully reflect the context or progress made on the ground.

2. Clarity on Interfaces with Existing Inspection and Regulatory Frameworks

Our members are keen to avoid duplication and ensure coherence between different oversight mechanisms. Several authorities noted that the timing of the Ombudsman's investigation overlapped with planned inspections by Care Inspectorate Wales (CIW), sometimes covering similar ground. In at least one case, there was a marked contrast between the two bodies' findings - raising questions about consistency and the value of coordination.

Given the range of regulatory and improvement activity already underway in social care, we believe there is scope to strengthen alignment between the Ombudsman's investigatory work and existing inspection regimes. A more joined-up approach would reduce reporting burdens and better support the shared goal of improving outcomes for people who use services.

3. Alignment with the Social Services and Well-being (Wales) Act 2014

The Social Services and Well-being (Wales) Act 2014 (SSWBA) sets out a distinct and progressive framework for social care in Wales - rooted in the principles of co-production, proportionate intervention and person-centred support. We are concerned that these values were not always reflected in the framing or analysis within the Ombudsman's investigation.

For example, a strong emphasis was placed on the volume of formal Carers Needs Assessments, with less attention paid to the broader range of strengths-based, preventative work being delivered in line with the SSWBA. This risked creating an overly narrow picture of performance and, in some cases, may have unintentionally undermined the legitimacy of alternative approaches valued by carers themselves.

We recognise that administrative principles and legislative duties can sit alongside each other, but we would encourage a more explicit integration of the SSWBA in future social care investigations, to ensure consistency with Welsh policy aims and local practice.

4. Recommendations for Future Improvement

Based on the experiences mentioned above, to support the effective use of own-initiative powers in the future, we respectfully offer the following suggestions for the Committee's consideration:

- For the Ombudsman to enhance transparency by publishing clear criteria and methodologies for selecting themes, authorities, and investigation scope, including engagement plans and timelines.
- Establish formal mechanisms for coordination between the Ombudsman and statutory regulators such as CIW, to ensure a shared understanding of roles and avoid duplication.
- For the Ombudsman to align investigative frameworks with the SSWBA, embedding its principles and duties throughout the process.
- That the Ombudsman ensures proportionality and balance in evidence gathering, reporting, and recommendations, with ample opportunity for dialogue and contribution from all parties.
- That, through its reporting mechanisms, the Ombudsman frames its findings constructively, recognising existing good practice and supporting system-wide learning and improvement.

We share these reflections in the spirit of collaboration and with a clear commitment to ongoing partnership. Local authorities and the Ombudsman ultimately share the same goal: ensuring that services are fair, responsive, and focused on what matters most to the people of Wales.

Thank you again for the opportunity to support the Committee's important work.

Yours Sincerely,



Claire Marchant
Cadeirydd, ADSS Cymru



Post-legislative review of the Public Services Ombudsman (Wales) Act 2019

Community Housing Cymru response to the Finance Committee Inquiry.

Of the four new powers granted to the PSOW under the 2019 Act, two have currently impacted housing associations:

- 1) Complaint Handling Standards
- 2) Accepting Oral Complaints

1) Complaint Handling Standards

PSOW has gradually started including housing associations in its complaint handling standards, and has also begun collecting data on housing association complaints. Currently, around half of the sector is included in this data collection.

Complaints are encouraged by both PSOW and housing associations. They provide valuable opportunities to learn, improve, and enhance services. They offer insights into areas where performance could have been better, and therefore lead



to positive changes for housing associations and tenants.

The first (and so far, only) data publication took place in December 2024. Unfortunately, CHC, nor the sector, were informed of the publication. This led to teething issues which we feel could have been resolved were better engagement undertaken prior to the publication.

Since the publication of this data, CHC has had good engagement with PSOW. We have spoken through the challenges that were faced throughout the collection and are pleased to see PSOW take on board our concerns. We are confident improvements will be made for the next publication.

We believe that the data collection process can improve and strengthen relationships between housing associations and PSOW, which will in turn, drive better complaint handling processes.

We have outlined the lessons learnt during this process below:

- Data accuracy
 - The data collection in December 2024 included data on 'population'. It was unclear whether this referred to the number of tenants or the number of households. PSOW did not request this data from housing associations, but rather undertook desk-based research. For some housing associations, the number published did not refer to either their tenant or household numbers.
 - **We have requested that PSOW collect this data directly from housing associations for the next collection. We would also like PSOW to share its final data results with CHC and housing associations prior to release to ensure accuracy.**

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- A 'League Table'
 - The data was published in a format which resembled a league table, listing housing associations in order of the most complaints. PSOW itself states that complaints and engagement with tenants should be encouraged, as they are a valuable tool for enhancing services. Publishing the data in this way could lead the public to believe that the most number of complaints is negative and should be reduced, and so act as a disincentive to PSOWs own view on handling complaints well. League tables fail to capture the nuances of individual cases and instead lead to a focus on superficial metrics.
 - **We would like to see PSOW present the data in a way that does not rank housing associations, and instead offers meaningful reflection on complaint resolution and encourages the sharing of good practice.**

- Press release
 - The press release which accompanied PSOW's data release failed to make clear that most of the complaints were dealt with by early resolution (ER). We also believe it should have done more to demonstrate that complaints are encouraged by PSOW as a mechanism for improving services.

- Purpose of the data
 - It is not yet clear to all housing associations how the data that is collected is going to be used by PSOW.

- Stage One Timeframe
 - One of our members has expressed dissatisfaction with the restriction to extend the timeframe of stage one complaints. Sometimes, residents aren't able to respond in the given timeframe, and sometimes cases are complicated and need more time to

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respond.

- Once the complaint has exceeded two stages, the recourse is to go to the Ombudsman. This can extend the complaint and delay rectifying the situation. It is in the interest of the tenant for a resolution to be found as soon as possible, and we believe the ability to extend stage one would better allow for this.

Accepting Oral Complaints

It is a positive step forwards that housing association tenants can complain orally. It allows those who do not wish to, or can't, complain in a written format to allow their voice to be heard.

Own Investigation

PSOW's own investigation (OI) reports have not yet impacted housing associations, although they could in the future. We think it would be constructive if the process used the data collection exercise to identify recurring issues which can then recommend changes to procedures and practices to better complaint handling, and improve service delivery.

Housing associations welcome the Act as an avenue for residents to submit complaints, as it allows them to address any issues in a transparent and open way.

Classification

Housing Associations are independent businesses with social good as their core purpose. They work in partnership with the Welsh Government to provide social homes, additional support services, to tackle homelessness and to deliver health and care provision.

The ONS has classified housing associations as Private Non-Financial Corporations meaning they are not public bodies. PSOW often refers to housing associations as

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public bodies, which can give the perception that PSOW does not fully understand how housing associations are financed and how they operate. We think it is important that PSOW recognises that housing associations are independent organisations that provide public good as a fundamental basis for defining their approach to investigations.

For more information, please contact [REDACTED]



4th July 2025

Peredur Owen Griffiths
Chair
Finance Committee
Senedd Cymru
Cardiff Bay
Cardiff
CF99 1SN

Dear Chair

Further to your letter of the 14th May, please find attached NIPSO's reply to the questions raised in the Annex. I apologise for the delay in getting this response to you.

If you have any questions about NIPSO's response, please do not hesitate to contact me.

Yours sincerely

A handwritten signature in black ink that reads "Margaret Kelly". The signature is written in a cursive style.

Margaret Kelly
NI Public Services Ombudsman

Annex: Follow up questions after oral evidence session on 7 May 2025

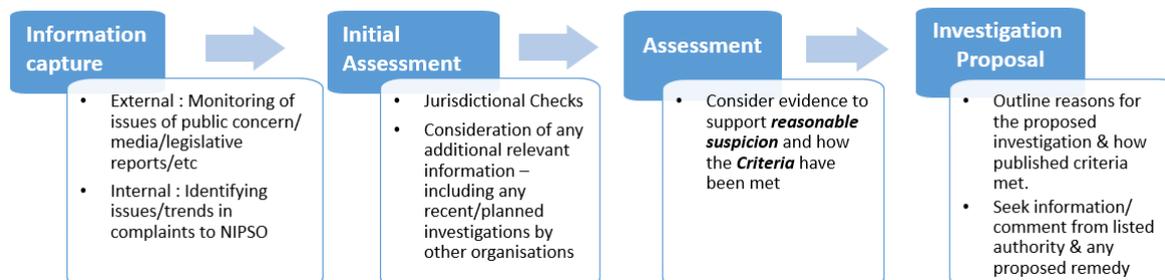
Own initiative investigations

1. Can you outline your procedure for deciding to undertake an own initiative investigation and the role that qualitative and quantitative data has in deciding the theme of the investigation.

[The Public Services Ombudsman Act \(NI\) 2016](#) contains a number of legislative requirements which have shaped the Ombudsman’s decision-making procedures in relation to Own Initiative (OI) investigations. These include:

- **Reasonable suspicion:** The Ombudsman must have a reasonable suspicion of systemic maladministration or systemic injustice (section 8)
- **Criteria:** Consideration must be given to [NIPSO’s published OI criteria](#) (section 9, 29)
- **Investigation Proposal:** NIPSO must inform the relevant authority/authorities of the reasons for the proposed investigation and how the criteria has been met (section 29)
- **Consultation:** NIPSO must consult with the bodies listed in section 51 (primarily the NI Audit Office and other regulators) who may be conducting an investigation into the same issue. This does not preclude NIPSO investigating and indeed there was added value in both the NIAO and NIPSO both conducting investigations into the administration of PIP. NIAO focused on value for money and NIPSO on the administrative processes for considering the use of ‘further evidence’.

In order to meet these procedural obligations, identify potential issues, and inform the Ombudsman’s decision, NIPSO undertakes a process of information capture and assessment:



Potential issues may be identified from a range of internal and external sources, including internal alert systems; quantitative analysis of NIPSO case handling system, monitoring of media outlets/public concern; referral from other organisations/individuals; published reports and research.

The main sources of qualitative and quantitative data used include published reports; NI Assembly questions and answers and NIPSO’s case handling system. Where limited data is available, or where consultation with other oversight bodies or regulators is required, we will seek information from them or consult with affected individuals directly. Analysis of this data underpins any decision on whether to progress to an Own Initiative investigation.

The information/data obtained is analysed against the NIPSO published OI criteria, including whether an investigation of the issue would be the best and most proportionate use of resources.

It can be the case that the absence of good quality data is an indicator for an OI rather than the analysis of existing data sets. The NIPSO Own Initiative criteria remain the over-riding consideration in a decision to progress to investigation.

2. What feedback have you received from stakeholders regarding their experiences of own initiative investigations.

NIPSO have not, to date, undertaken formal feedback sessions/questionnaires with external stakeholders on their experiences of NIPSO Own Initiative (OI) Investigations or processes. This is an area which remains under consideration.

However academic analysis of the overall impact of our first Own Initiative investigation: PIP and the Value of Further Evidence may be found at the links below.

[The Northern Ireland Public Services Ombudsman's Report into Personal Independence Payment and Collective Administrative Justice \(Pt 1\)](#)

[The Northern Ireland Public Services Ombudsman's Report into Personal Independence Payment and Collective Administrative Justice \(Pt 2\)](#)

Further NIPSO's Own Initiative report [Strengthening Our Roots](#) published in 2023 contributed to a Private Member's Bill to strengthen the legal protection of trees across Northern Ireland. The consultation summary on the proposed legislation directly links a requirement to our recommendation on creating a single online map of all tree preservation orders. It further concludes that concerns about the perceived ineffectiveness of operational enforcement would be best addressed through implementation of our recommendations.

NIPSO often receive informal feedback from those who have participated in an OI investigation and from members of the public in-relation to their impact and effectiveness.

Complaints handling standards and procedures

3. Can you outline the engagement you undertake with stakeholders on complaints standards and what feedback you receive from public bodies regarding the implementation of model complaints policies and standards

Proactive, meaningful engagement with a wide range of stakeholders has been central to NIPSO's approach to Complaint Standards. The sector-by-sector roll-out initially worked with the local government sector and is now working with Health & Social Care organisations. The launch of the Health and Social Care complaint standards model took place on 1st July 2025. This includes all Health and Social Care Trusts as well as GPs, Care Homes, Pharmacists, Dentists and Opticians.

A two-tier approach of formal Strategic and Operational Networks with operational and strategic leaders from the sector chaired by NIPSO alongside widespread engagement with diverse stakeholders has been the model to date. The engagement with Health & Social Care organisations has included major statutory bodies including:

- Health and Social Care Trusts
- Department for Health
- individual HSC delivery organisations e.g. care homes and GPs
- professional membership bodies
- trade unions, regulatory bodies
- elected representatives and Assembly Committees
- existing networks in the wider sector and organisations representing H&SC users (such as people with disabilities, carers, children and young people).

Engagement methods have included in-person meetings with senior managers and other staff, workshops, presentations at events, briefing papers, a newsletter and working with statutory bodies and regulators to disseminate information to a wide audience.

The purpose of the engagement is to raise awareness and understanding of complaints standards and facilitate a sense of ownership and positivity about the potential for complaints to help improve services. It also provides an opportunity to listen to feedback to ensure any guidance and resources developed by NIPSO, to promote compliance and support implementation, are both relevant and useful.

The LG sector (more recently now joined by Health and Social Care with full implementation date of 1st January 2026) is currently the only sector in Northern Ireland required to implement the model complaints policies and standards and no formal feedback, in-terms of research has yet been sought from the sector. Although there have been several opportunities for ongoing and more informal feedback.

A Best Practice Network (BPN) was established for the Local Government sector, at the beginning of the process, and provides an opportunity for NIPSO to communicate on an on-going and regular basis. The BPN provides an opportunity to identify and support best practice and for feedback to NIPSO regarding implementation issues and for these to be escalated and addressed.

We will issue a questionnaire to the local Government sector in September 2025 to seek formal feedback, and this will follow the publication of the first set of complaints data. This is the final step in the implementation for the sector and therefore we consider it the most appropriate time to seek formal feedback.

Comparison of best practice

4. Do you feel the changes implemented through the 2019 PSOW Act reflected best international practice, and if so, do you think 6 years on that's still the case

The changes implemented by the 2019 Act are in line with the Venice principles and reflect international best practice. As with all legislation there are always opportunities to make improvements. As mentioned to the committee one area where it may be possible to increase access to justice is to extend the jurisdiction of the Ombudsman to include complaints about schools. This has been a growing area of work for NIPSO in-terms of the overall number of complaints and will also fall within NIPSO complaints standards.

A further area where there may be an opportunity to refine how the Act operates is in-relation to Own Initiative. To realise the full potential of the power contained within the 2019 Act it is important for the Ombudsman to be able to use the power in a flexible way to address areas of systemic concern. The current consultation requirements are more substantive than those of NIPSO and may make it more difficult to respond to emerging or current issues in a relatively timely manner.

By virtue of paragraph(s) ix of Standing Order 17.42

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