

## Agenda – Finance Committee

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Meeting Venue: Hybrid – Committee  
room 4 Tŷ Hywel and video conference  
via Zoom

For further information contact:

Owain Roberts

Committee Clerk

Meeting date: 16 October 2025

0300 200 6388

Meeting time: 09.30

[SeneddFinance@senedd.wales](mailto:SeneddFinance@senedd.wales)

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### Registration

(09.00 – 09.15)

### Private Pre-meeting

(09.15 – 09.30)

### 1 Introduction, apologies, substitutions and declarations of interest

(09.30)

### 2 Paper(s) to note

(09.30)

#### 2.1 PTN 1 – Letter from the Cabinet Secretary for Finance and Welsh Language: Finance: Interministerial Standing Committee (F:ISC) – 8 July 2025

(Pages 1 – 2)

#### 2.2 PTN 2 – Letter from the Public and Commercial Services (PCS) Union: Senedd Commission Draft Budget 2026–27 – 30 September 2025

(Pages 3 – 4)

#### 2.3 PTN 3 – Letter from the Deputy First Minister and Cabinet Secretary for Climate Change and Rural Affairs: Prohibition of Greyhound Racing (Wales) Bill – Statement of Policy Intent – 29 September 2025

(Pages 5 – 8)

#### 2.4 PTN 4 – Letter from the Counsel General and Minister for Delivery: Financial implications of the Planning consolidation Bills – 10 October 2025

(Pages 9 – 11)

### 3 Welsh Government Draft Budget 2026–27: Evidence session 1

(09.30 – 11.00)

(Pages 12 – 64)



**Senedd Cymru**  
**Welsh Parliament**

Mark Drakeford MS, Cabinet Secretary for Finance and Welsh Language,  
Welsh Government

Andrew Jeffreys, Director Treasury, Welsh Government

Jodye Kershaw, Head of Budget Policy & Delivery, Welsh Government

**4 Motion under Standing Order 17.42 (ix) to resolve to exclude the public from items 5, 6, 8 and 9.**

(11.00)

**5 Welsh Government Draft Budget 2026–27: Consideration of evidence with Welsh Youth Parliament Members**

(11.00 – 11.15)

**6 Welsh Government Draft Budget 2026–27: Consideration of evidence**

(11.15 – 11.30)

**7 Public Services Ombudsman for Wales – Annual Report and Accounts 2024–25, and Estimate 2026–27: Evidence session**

(11.30 – 13.00)

(Pages 65 – 311)

Michelle Morris, Public Services Ombudsman for Wales

Katrin Shaw, Executive Director, Casework & Legal

Heather Beynon, Executive Director, Corporate Resources

**8 Public Services Ombudsman for Wales – Annual Report and Accounts 2024–25, and Estimate 2026–27: Consideration of evidence**

(13.00 – 13.10)

**9 Scrutiny of the Senedd Commission Draft Budget 2026–27: Consideration of draft report**

(13.10 – 13.30)

(Pages 312 – 350)

## Agenda Item 2.1



Llywodraeth Cymru  
Welsh Government

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

Peredur Owen Griffiths MS  
Chair, Finance Committee  
Senedd Cymru  
Cardiff Bay  
CF99 1NA

8 July 2025

Dear Peredur,

I can confirm that the Finance: Interministerial Standing Committee (F:ISC) meeting was held in London on 26 June. A communique has been published following the meeting: [Finance: Interministerial Standing Committee – 26 June 2025 - GOV.UK](#)

The Rt Hon Darren Jones MP, Chief Secretary to the Treasury (UK Government) chaired the meeting. I joined alongside Shona Robison MSP, Cabinet Secretary for Finance and Local Government (Scottish Government). John O'Dowd MLA, Minister of Finance (Northern Ireland Executive) joined virtually.

The focus was on collaboration following the UK Spending Review, published in June. The Industrial and Infrastructure strategies published by the UK Government in June provide an opportunity to bring further economic growth to Wales. We explored how we can continue to engage to ensure new projects align with Wales' priorities.

We agreed to continue engagement on spending decisions, including through the UK's new National Infrastructure and Service Transformation Authority (NISTA), which will be hardwired into spending decisions.

I raised the use of powers under the UK Internal Market Act (UKIMA) during the meeting. I explained that the use of UKIMA powers has the potential to overreach into spending in devolved areas, which is neither a practical nor sensible way of doing things. The Chief Secretary is aware of the concerns of all three devolved nations on this issue.

We also discussed fiscal flexibilities, which is a matter of shared interest between the devolved governments. I asked for the limits in our Fiscal Framework to be restored to the real value of the figures, as this is no longer an adequate tool.

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[Gohebiaeth.Mark.Drakeford@llyw.cymru](mailto:Gohebiaeth.Mark.Drakeford@llyw.cymru)

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.

Pack Page 1

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.

We agreed that officials would put forward modelling scenarios, led by Scottish officials, to demonstrate options for changes to fiscal flexibilities for all three devolved nations before the next F:ISC. The next F:ISC provides an opportunity to discuss fiscal flexibilities further to put forward for the UK Autumn Budget.

I also had the opportunity to raise Wales specific issues, including the recent Written Statement on Border Control Posts<sup>1</sup> and concerns with the application of the Barnett formula – I will follow up my concerns in writing to the CST.

The next F:ISC meeting will be held in Edinburgh in the Autumn, ahead of the UK Autumn Budget.

Yours sincerely,

A handwritten signature in black ink, reading 'Mark Drakeford', written in a cursive style.

**Mark Drakeford AS/MS**

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

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<sup>1</sup> [Written Statement: Border Controls on imports into Wales from Ireland \(24 June 2025\) | GOV.WALES](#)



# Agenda Item 2.2



John Booth  
 PCS  
 Floor 2  
 Transport House  
 1 Cathedral Road  
 Cardiff  
 CF11 9SD  
[wales@pcs.org.uk](mailto:wales@pcs.org.uk)

Tuesday 30 September 2025

Finance Committee  
 Welsh Parliament  
 Cardiff Bay  
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## **Senedd Commission Draft Budget 2026–27**

I am writing on behalf of PCS Union to provide our views on the Senedd Commission's ('the Commission') draft budget for 2026–27. We hope to contribute to the Finance Committee's scrutiny, particularly as the Commission prepares to support the first year of an expanded Senedd.

PCS continues to advocate for a sustainable funding settlement, especially in light of the transformational demands of Senedd Reform. While we acknowledge the overall budget increase of 21.34%, we are alarmed by the real-terms cut in the core operational budget, which has increased by just 3.07%. The inflation indicator referenced by the Commission, the GDP deflator, stands at 4.07%. This marks a wholesale reversal from the Commission's explicit rejection of the GDP deflator last year as a realistic benchmark for operational budget growth. The conscious decision to now fall beneath that index is very concerning and risks undermining the Commission's ability to deliver its core functions effectively during a period of significant change. Although ring-fenced programme budgets exist for Senedd Reform, Bay 32, and election-related costs, this ring-fencing does not effectively insulate the operational base from the impact of enormous change.

We are concerned that the draft budget states that 'the assumption for the medium-term is that the Commission financing requirements will be in excess of the resourcing available' (p12). It looks like the Commission is asking Members for less than is needed. The Commission's explanation that 'making a cohesive and evidenced case for requesting additional resource' is 'at the extreme' end of their options (p12) is indicative of a concerning approach to resourcing. Although it is asserted that steps have been taken 'in the development of this budget to ensure it ... reflects Members' views' (p8) PCS is eager to learn what the Committee, in its scrutiny, makes of this approach.

## **Commission Staff Pay**

This brings us on to pay. Members of the Senedd are due to receive a pay increase in line with the ASHE index, and a 5% increase has been included to cover this in the Determination that forms a part of this draft budget. Although we welcome that Members' support staff will benefit from this mechanism, it is disappointing that the proposed pay award for Commission staff falls significantly short. It even falls below the Welsh public sector remit for 2025-26 of an average of 3.75% (due to

the Commission's proposed tapering), and will not take effect until a year later than it does for their public sector colleagues. The award is also not even fully funded by the 3% increase in this draft budget for the existing ('business as usual') headcount. Funding for the remainder of these rises includes a reliance on "churn" within the year, potentially exposing staff to working in an under-resourced way rather than filling staffing gaps pro-actively, in order to realise these in-year cash savings.

PCS remains in dispute with the Commission. While the 2025-26 Commission staff pay award went a little way to claw back some of the real-terms loss in pay over the past few years, it did not undo it. There is no agreement on the proposed pay award. Indeed Trade Union Side (TUS) have yet to respond to Commission management to confirm the respective views of the three recognised unions, and there is no provision in this budget that would enable further meaningful negotiation. Such an oversight opens the institution up to the risk of acute instability at such a critical time.

## **AI**

PCS also have concerns around Artificial Intelligence (AI), referenced in the Staffing section in the draft budget (p14). PCS believe AI could have a profound impact on how the Commission works, but believe the Commission should be cautious about overestimating the anticipated benefits, particularly where evidence for benefit is limited or absent. The broader AI strategy should focus on enhancing the working lives of staff and improving the quality of parliamentary services, rather than functioning to anticipate or justify effective reduction in spending on other resources.

## **Reduced Working Week**

A time of change for the organisation would seem to PCS like the opportune moment to re-establish ways of working, and PCS are disappointed that the draft budget makes no mention of discussions and negotiations around the Reduced Working Week. PCS believe that meaningful progress towards a reduced working week could have been part of an effective compromise on pay and conditions between the organisation and the recognised unions, as ways of working with a new cohort of Members and MSS for the Seventh Senedd are established.

As the Senedd enters a new chapter, the Commission must be equipped to meet its obligations to Members and to the public. This requires a budget that reflects the true cost of delivering parliamentary services in a larger, more complex institution. We ask the Committee to apply its Statement of Principles with a view to long-term operational sustainability and to demand a budget that enables the Commission to fulfil its obligations to its staff, Members and the people of Wales. In our view, with particular focus on the operational budget and staff pay, the draft budget falls short.

Yn gywir,

John Booth  
Industrial Officer

Huw Irranca-Davies AS/MS  
Y Dirprwy Brif Weinidog ac Ysgrifennydd y Cabinet dros  
Newid Hinsawdd a Materion Gwledig  
Deputy First Minister and Cabinet Secretary for Climate  
Change and Rural Affairs



Llywodraeth Cymru  
Welsh Government

Our ref: MA/HIDCC/1694/25

Delyth Jewell MS  
Chair  
Culture, Communications, Welsh Language, Sport, and International Relations  
Committee

[SeneddCulture@senedd.wales](mailto:SeneddCulture@senedd.wales)

29 September 2025

Dear Delyth,

Following the introduction of the Prohibition of Greyhound Racing (Wales) Bill into the Senedd on 29 September 2025, please find attached a copy of the Statement of Policy Intent on the powers to make subordinate legislation under the Bill. This document is provided to support scrutiny of the Bill by the Senedd.

I look forward to providing further evidence to the Committee in due course.

I am copying this letter to the Chair of the Legislation, Justice and Constitution Committee and the Chair of the Finance Committee.

Yours sincerely,

**Huw Irranca-Davies AS/MS**

Y Dirprwy Brif Weinidog ac Ysgrifennydd y Cabinet dros Newid Hinsawdd  
a Materion Gwledig  
Deputy First Minister and Cabinet Secretary for Climate Change and Rural Affairs

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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.



Llywodraeth Cymru  
Welsh Government

# **Prohibition of Greyhound Racing (Wales) Bill**

## **Statement of Policy Intent for Subordinate Legislation to be made under this Bill**

September 2025

## **PROHIBITION OF GREYHOUND RACING (WALES) BILL**

### **STATEMENT OF POLICY INTENT FOR SUBORDINATE LEGISLATION TO BE MADE UNDER THIS BILL**

#### Introduction

This document provides an indication of the current policy intention for the subordinate legislation that the Welsh Ministers are required to make under the provisions of the Prohibition of Greyhound Racing (Wales) Bill ('the Bill'), as introduced on 29 September 2025.

It has been prepared to assist Senedd Committees and Senedd Members during the scrutiny of the Bill and should be read in conjunction with the Bill and the Explanatory Memorandum and Explanatory Notes which accompany it.

#### Overview of the Bill

The policy objective of this Bill is to prohibit greyhound racing in Wales.

The Bill will achieve this by introducing two new offences. The first makes it an offence to operate a stadium or similar venue in Wales and use it, or knowingly permit it to be used, for greyhound racing, and the second makes it an offence to be involved in organising greyhound racing in Wales.

<b>SECTION</b>	5(2)
<b>FORM</b>	Commencement Order
<b>DESCRIPTION OF COMMENCEMENT ORDER</b>	
This section provides the Welsh Ministers with a power to commence the provisions of the Bill by an order.	
<b>WHY IS THE POWER/DUTY REQUIRED?</b>	
<p>Section 5(1) provides which sections come into force the day following the day the Act receives Royal Assent, while section 5(2) provides which sections come into force on a day appointed by the Welsh Ministers in an order made by statutory instrument. Section 5(2) provides that those sections must be brought into force no sooner than 1 April 2027, and no later than 1 April 2030.</p> <p>It is appropriate to commence provisions by an order as it will be necessary to ensure that implementation arrangements are in place before the sections come into force.</p>	
<b>POLICY INTENT – HOW IS THE DELEGATED POWER INTENDED TO BE USED?</b>	
The policy intent is for the Welsh Ministers to commence the provisions of the Bill over time in a way that enables implementation arrangements to be put in place before they come into force.	
<b>OTHER RELEVANT INFORMATION</b>	
Nothing to note	

Julie James AS/MS  
Y Cwnsler Cyffredinol a'r Gweinidog Cyflawni  
Counsel General and Minister for Delivery

Agenda Item 2.4



Eich cyf/Your ref  
Ein cyf/Our ref

Llywodraeth Cymru  
Welsh Government

To: Peredur Owen Griffiths MS  
Chair Finance Committee  
Senedd Cymru  
SeneddFinance@senedd.wales

10 Hydref 2025

Annwyl Peredur

## Financial implications of the Planning consolidation Bills

Thank you for your letter of 29 September 2025.

I note you are referring to the RIA for the Bills, however Standing Order 26C does not require such an assessment to be undertaken. Instead SO26C.9(vii) requires me to set out the “best estimates” for any additional expenditure. This is the basis for the preparation of Part 2 of the Explanatory Memorandum to the Bills.

### Question 1: methodology used to estimate the transitional costs

Transitional costs were estimated using the best available data, including published datasets, staff pay rates (where available), and our experience in implementing previous Acts, in particular the Historic Environment (Wales) Act 2023 (“the 2023 Act”). Staff time against identified activities were multiplied by relevant pay rates to calculate costs.

For the costs attributed to the Welsh Government, these were calculated using the organisation’s standard average staff costs for each relevant grade for the 2025-26 financial year. These averages include all associated on-costs, such as employer’s National Insurance and pension contributions, ensuring the best estimate of staff costs involved in the identified transitional activities. The identification of the transitional activities and estimate of staff time were informed from experience in implementing previous Bills and direct engagement with teams in the Planning Directorate and Planning Environment Decisions Wales.

As set out in Part 2 of the Explanatory Memorandum, the costs identified for stakeholders primarily relate to their familiarisation with the new Acts and to make one-off updates to websites and documents to ensure they correctly reference this new legislation, should the Bills be passed and enacted. As the Bills do not change the substance or practical

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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.

operation of the law, these transitional costs are primarily administrative in nature and reflect typical activities associated with consolidation of the law.

Planning authority costs were modelled using assumptions from the 2023 Act, where planning officers were considered equivalent to a Welsh Government Higher Executive Officer grade. Our analysis of local authority websites helped determine the extent of changes needed to those sites. Whilst consultation with a Planning Authority helped estimate the time required to update development management systems and templates, they also identified this work would be undertaken by a systems officer. This is understood to be an administrative role equivalent to a Welsh Government Executive Officer grade.

Planning consultant staff costs are commercially sensitive and not publicly available. Estimates for legal advisers were derived from the 2024 Annual Survey of Hours and Earnings (ASHE), with on-costs added. Prior experience with implementing other Bills together with engagement with colleagues with private sector experience within Government informed the estimates for staff time related to familiarisation with the new legislation.

For IT service providers, see paragraph 76 of the Explanatory Memorandum.

### **Question 2: input from planning authorities, planning consultants and private law firms**

The cost estimates were informed by targeted engagement and sector-specific insights.

For planning authorities, direct engagement was undertaken with one authority to understand the requirements for updating IT systems, websites and decision notices. Their feedback, informed by the work they undertook associated with the commencement of the 2023 Act, contributed to the estimate that approximately four days of a systems officer's time would be needed to implement the necessary changes.

In relation to planning consultants, due to the diversity of consultancy models and commercial sensitivities, no direct engagement has taken place. Notwithstanding this, the approach taken is based on experience of implementing other planning and related legislation and with engagement with colleagues within Government who have previously worked in private practice.

For private law firms, input was gathered through engagement with colleagues who were on secondment to the Welsh Government from the private sector, helping to outline the process and time required for legal professionals to familiarise themselves with the legislation. Published data from the Law Society was also used to estimate the number of firms likely to be affected.

The approach set out above is considered both proportionate and appropriate in ensuring the requirements of Standing Order 26C.9(vii) are met.

### **Question 3: confidence in costs for Welsh Government**

I am confident the cost estimates identified for the Welsh Government are robust and reflective of expected resource use. These estimates are grounded in actual staff pay data, established working patterns, and experience from implementing planning-related legislation and the implementation of the consolidation project resulting in the 2023 Act. This precedent has informed both the time estimates and the analysis of specific tasks required for implementation.



#### **Question 4: assessment of cost savings**

As noted above, an assessment of cost savings is not required under Standing Order 26C and has therefore not been undertaken. The anticipated benefits and savings relating to consolidation and codification more generally were considered as part of the Explanatory Memorandum to the Legislation (Wales) Bill in 2019.

I am copying this letter to the Legislation, Justice and Constitution Committee.

Yn gywir,



**Julie James AS/MS**

Y Cwnsler Cyffredinol a'r Gweinidog Cyflawni  
Counsel General and Minister for Delivery

# Agenda Item 3

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

Document is Restricted

Document is Restricted



**Ombwdsmon  
Ombudsman**  
Cymru • Wales

# Turning the page

## Annual Report and Accounts 2024-25

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July 2025



**We can provide a summary of this document in accessible formats, including Braille, large print and Easy Read.**

To request, please contact us:

Public Services Ombudsman for Wales

1 Ffordd yr Hen Gae

Pencoed

CF35 5LJ

Tel: 0300 790 0203

Email: [communications@ombudsman.wales](mailto:communications@ombudsman.wales)

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

**This document is also available in Welsh.**



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# Turning the page

## Annual Report and Accounts

of the Public Services Ombudsman for Wales  
for the year ended 31 March 2025

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

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# Foreword

**We have now completed the second year of our Strategic Plan 2023-26 'A New Chapter', and it has been another busy year for the office.**

Again, we saw an increase in the number of people contacting us about public services. Since 2019-20, the volume of new complaints reaching our office has increased by 43%. To manage this increase, we have intervened early in more cases, avoiding the need for lengthy investigations, while also reducing the time it takes us to complete investigations. We have also dealt with more non-health related complaints, to make sure that our work is balanced across all public services.

We have continued to use our proactive powers to undertake investigations on our own initiative; to set and monitor complaints standards and to accept oral complaints. During the year, we concluded our second wider 'own initiative' investigation, which looked into carers' needs assessments in Wales.

We continue to bring more public bodies under complaints standards, specifically working with housing associations, and we have provided over 50 training sessions to public bodies on good complaint handling. We also accepted just over 160 oral complaints, improving access to our services.

Following a social media incident last year involving a former member of our staff, when our independence was questioned, we remain focussed on upholding our reputation. We were very glad to see that an independent review of our investigation of Code of Conduct Complaints found that our decision making was appropriate, fair and free from political bias.

In addition, the Senedd's Finance Committee also concluded that we operate with impartiality and fairness and that our response to the incident was appropriate.

Both the Review and the Finance Committee identified recommendations and learning points, all of which we accepted, and details of how we have responded are included in this Report.

We knew that the social media incident had the potential to damage public confidence in our office. Therefore, we were especially glad to see that, according to our national awareness survey, confidence in our office is at the highest level ever. We are grateful for the trust placed in us by the Welsh public.

We recognise that this has been a very challenging year for our staff. We are proud to say that, despite this, staff have continued to deliver exceptional services.

Highlights include: closing more complaints than ever before, reducing the average time it takes us to complete an investigation, and exceeding our ambitious target for improving service quality.

We recognise the effort that our staff have put into achieving these results. Throughout the year, we continued to support their wellbeing and carried out extensive internal consultation to explore what more we could do. We were delighted to see evidence that our staff appreciated these steps, with our internal survey results showing improved staff satisfaction.

We have also gathered views from public service providers, the third sector and the general public, about our organisation and the services we deliver. We were pleased to see evidence of general appreciation of our work and acknowledgement that we have a positive impact on improving public services.

There is more work to be done. The continuing increase in complaints remains one of the biggest challenges facing our office. Despite increased outreach and communications activity, we have struggled to diversify the profile of people who use our service. Also, although our process is fully bilingual, very few people opt to complain to us in Welsh.

This has been a year of new challenges, but also of new achievements. We can look to the future with assurance that we are on the right track. We will continue to work towards our ambitious goals during 2025-26, exploring new ways to overcome longstanding challenges and delivering justice and positive change for the people of Wales.

### **Michelle Morris**

Public Services Ombudsman for Wales  
July 2025



# About us

## 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 messages

We received  
**10%** more new  
complaints.



The proportion of complaints  
about complaint handling has  
continued to **decrease**.



We closed **5%** more  
complaints.



We intervened in **18%**  
of complaints about  
public services that we  
closed, with more than  
ever resolved  
early.



**94%** of  
recommendations  
due during the  
year complied with  
during the year.



**56%** of our new Code of Conduct  
complaints were about promotion  
of equality and respect.

**15**

We referred **15** Code of Conduct  
complaints to the Adjudication  
Panel for Wales or local Standards  
Committees.

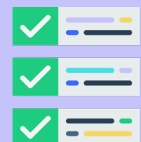
An independent  
review found that  
our Code of Conduct  
process was:  
**"appropriate, fair  
and impartial and  
free from political  
bias"**

We upheld only **6%** of review  
requests.



**42%** of people we asked said  
they were happy with our  
service.

**84%** of cases we  
checked as part of  
our Service Quality  
process  
resulted in  
little or no  
feedback.



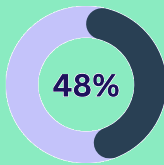
We accepted **162** complaints other than in writing.



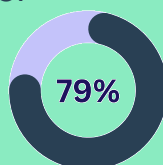
We delivered **52** training sessions on good complaint handling.



**48%** of the Welsh public knew about us...



... and **79%** said they had confidence in our office.



We published **2** thematic reports.



We issued **8** Public Interest Reports.



We **published** the results of our second wider own initiative investigation, which looked into carers needs assessments.



To date, we closed **10** extended investigations.

Our gender pay gap was **negative**.



We submitted evidence to the Senedd's review of our Act

**91%** of our staff said that PSOW was a good place to work.



Welsh language skills of our staff have improved.

**Cymraeg**



We reduced our CO<sub>2</sub> emissions by **7%**.





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

# Introduction

**This year, we received and closed the highest number of duly made complaints\* on record.**

\*You can find a definition of what constitutes a duly made complaint in the Appendix.

## New cases

During 2024-25, we received 9,757 new cases overall. While this was 1% less than last year, this total represents a 36% increase compared to 2019-20.

Of these, 6,210 were enquiries and Code of Conduct pre-assessments. These are cases that we cannot look into because the issue, or the organisation complained about is not one we can investigate, or because we do not have enough information about the concern.

However, 3,547 of these cases were duly made complaints. This was 10% more than last year and the highest number of complaints we have ever received in a single year.

We also started the year with 481 complaints that were carried forward from the previous year.



10% more new complaints overall



11% more new complaints about public services

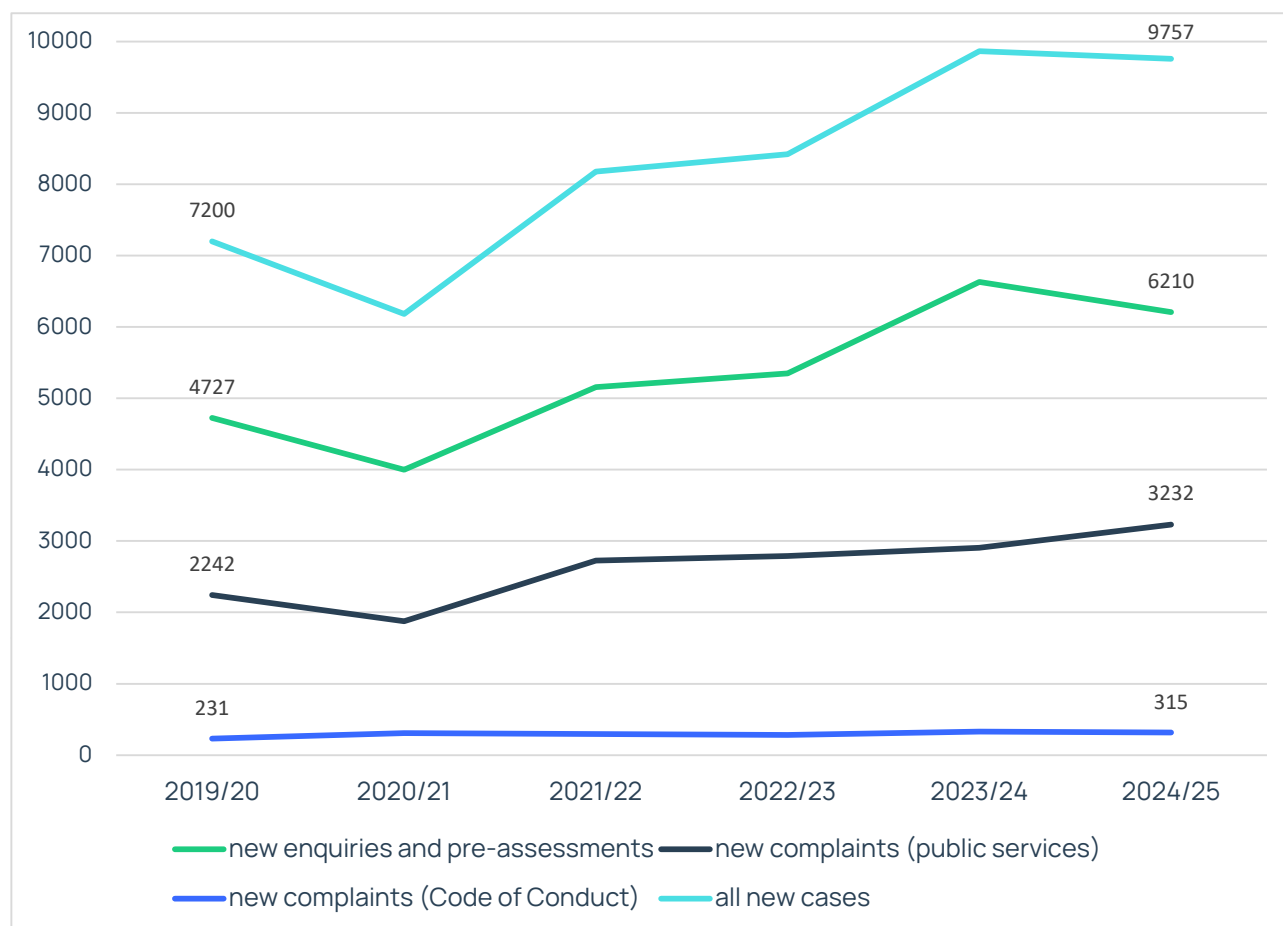


4% less new complaints about Code of Conduct

- 3,232 new public service complaints, up by 11%
- 315 new Code of Conduct complaints, down by 4%

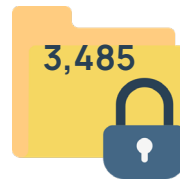
**Figure 1: Our new cases since 2019-20**

Since 2019-20, the volume of new complaints reaching our office has increased by 43%.



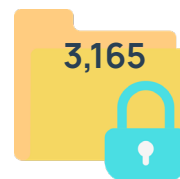
## Closed cases

Overall, we closed 9,671 cases – 3% less than last year, but 34% more than in 2019-20.



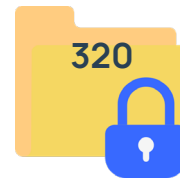
5% more closed complaints overall

Most of these were enquiries that we would usually close after an initial check. When we close an enquiry, we often offer advice or point complainants to another organisation for help.



5% more closed complaints about public services

However, we also closed 3,485 duly made complaints about public services or the Code of Conduct – 5% more than last year:



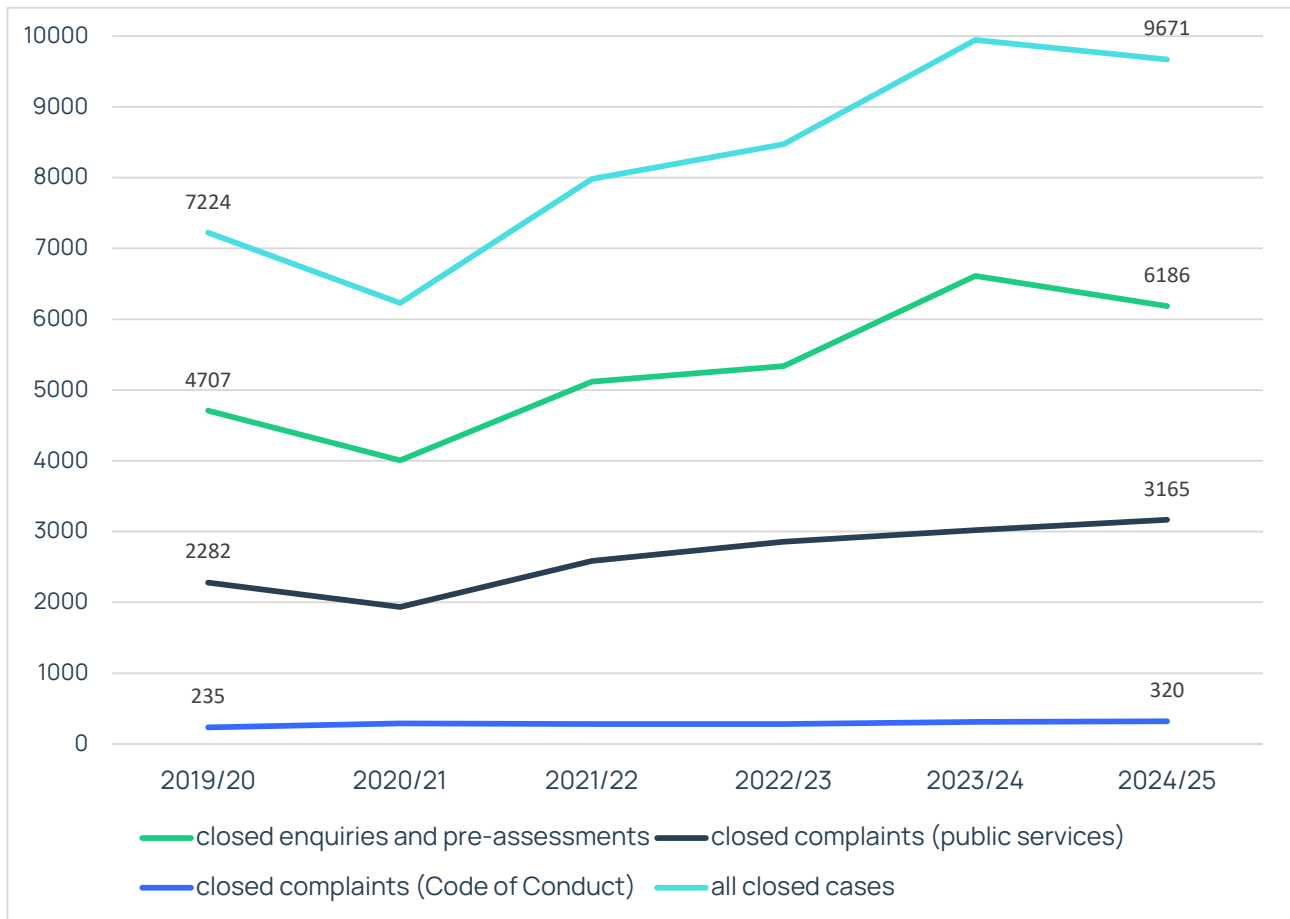
3% more closed complaints about Code of Conduct

- 3,165 closed public service complaints, up by 5%
- 320 closed Code of Conduct complaints, up by 3%.

We finished the year with 562 cases that will be carried forward. This is higher than last year (481) and reflects the pressures on our office, with the volume of new complaints constantly increasing.

**Figure 2: Our closed cases since 2019-20**

Since 2019-20, the volume of our closed complaints has increased by 38%.



In terms of the volume of cases, a lot of our work involves the handling of enquiries. However, it is through the handling of complaints that we deliver justice for individuals, as well as supporting broader, systemic improvements across public service in Wales.

The remainder of this section of our Annual Report focuses on **our complaint trends only**.

# Our complaints about public services

## New complaints about public services

We received more complaints about public services than ever before. Since 2019-20, the volume of these complaints reaching our office has increased by 44%.

### New complaint subjects

Health remains the most common subject of our new complaints, overall. However, although the total number of health complaints has risen again this year, their proportion relative to the total number of complaints we received has again decreased.

The number of complaints about clinical treatment in hospital and about GP services has increased. These two subjects now account for 61% of all our health-related complaints (compared to 60% last year).

We again received fewer complaints about complaint handling this year. The current proportion of these complaints across our caseload - 12% - is the lowest since 2019-20. As this decreasing trend has now continued for several years, we are confident that it reflects the impact of our complaints standards work with public service providers across Wales.

The number of complaints about housing has increased again. These complaints now account for just over 19% of our new complaints (compared to 15% in 2019-20). This could reflect the impact of our complaints standards work and better recording practices within the sector.



Health  
34%



Housing  
19%



Complaint  
handling  
12%



Other  
35%

Health boards

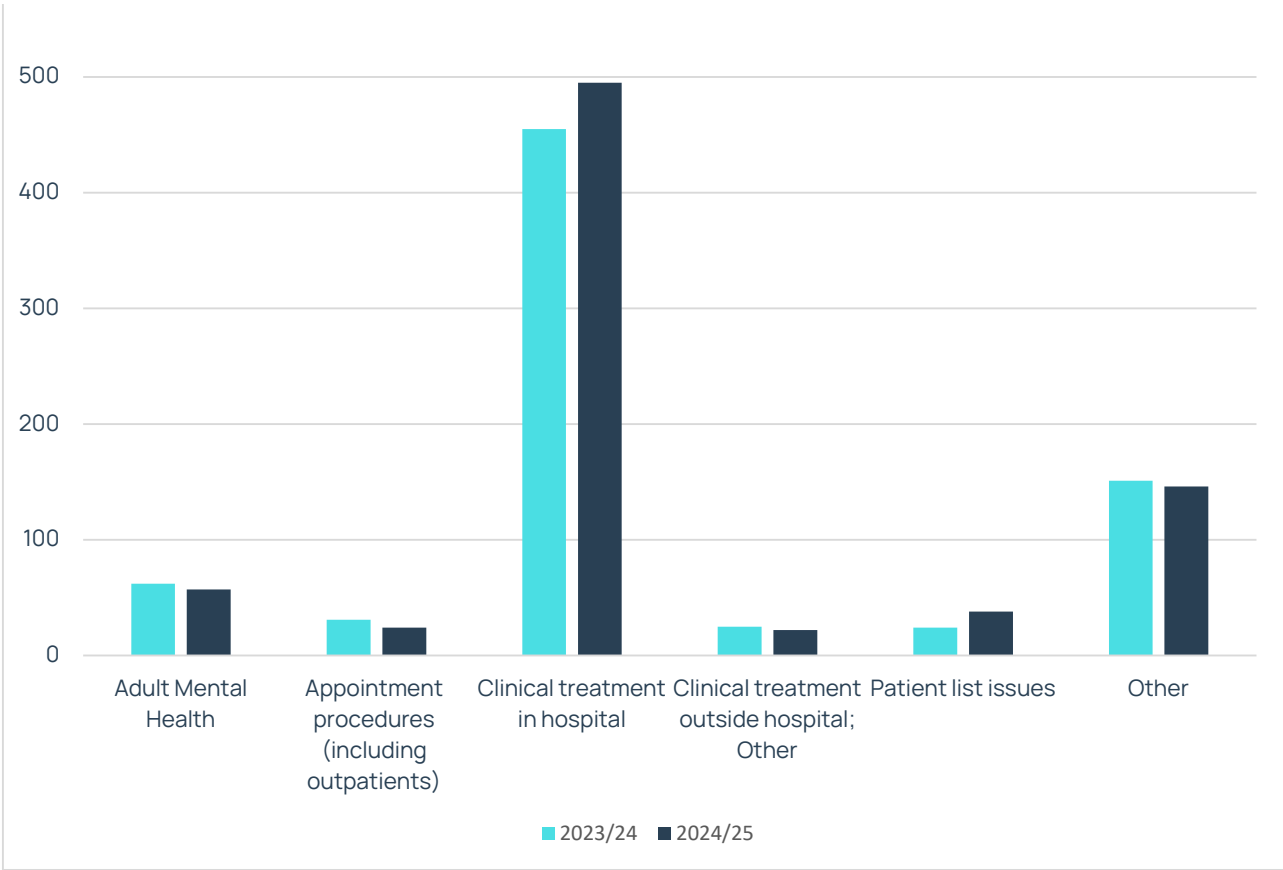
We received 949 complaints about health boards. This is an increase of only 1% since last year, and shows that the rate of increase in health board complaints is still slowing down. Still, we are now receiving 26% more complaints about health boards than in 2019-20.

Predictably, most complaints about health boards concern health services. By far, the most common area of these complaints is clinical treatment in hospital.

In addition, about 16% of complaints about health boards related to complaint handling. This was a welcome drop from 18% the year before.

We consistently receive more complaints about Betsi Cadwaladr University Health Board than any other health board. However, when we consider the population figures for each health board, Betsi Cadwaladr, Hywel Dda and Swansea Bay University Health Boards were subject to most complaints per 1000 residents.

Figure 3: Health board health-related complaints by subject



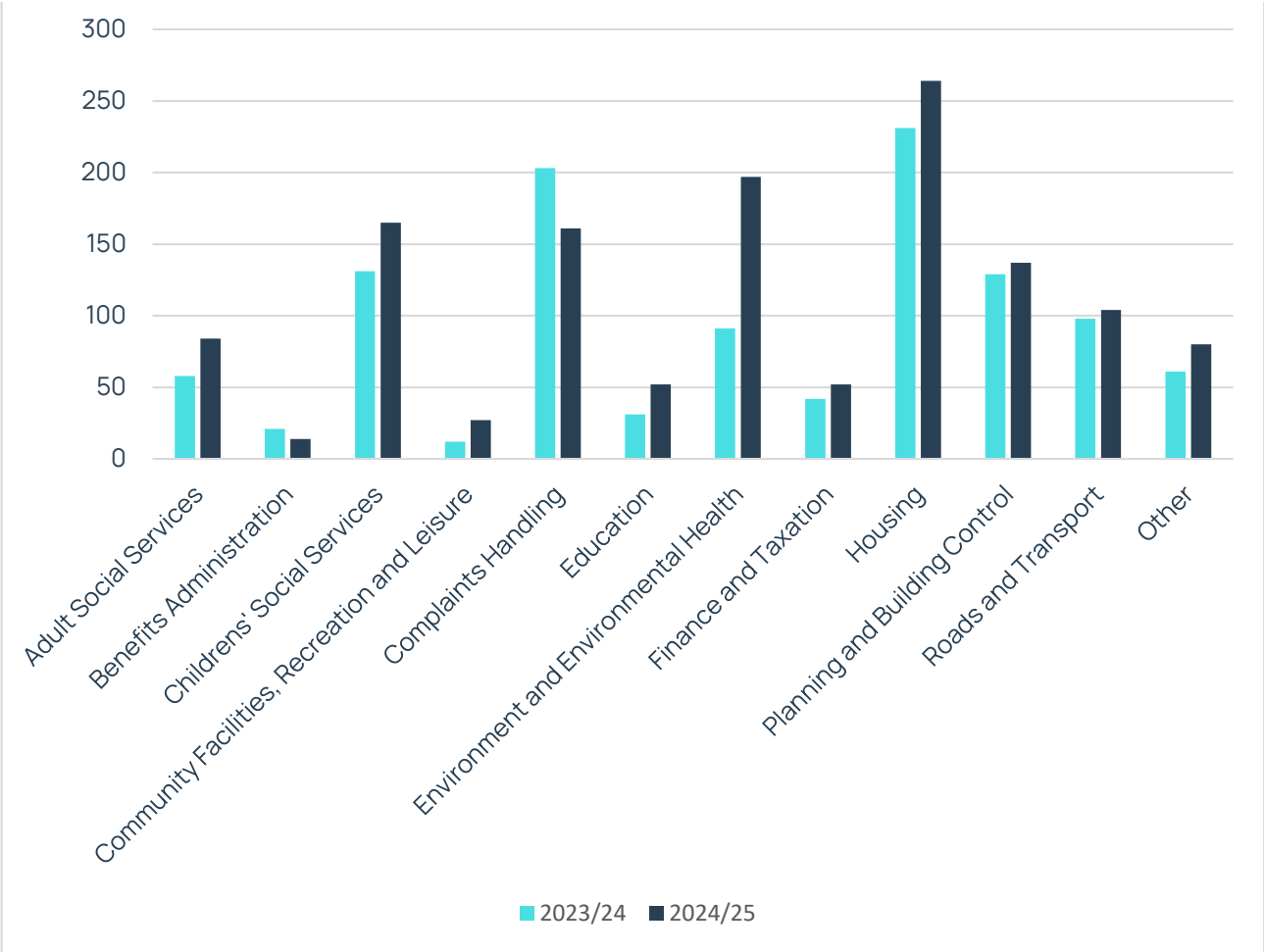
Local councils

We received 1,337 complaints about local councils - an increase of 20% on the previous year and 54% more than in 2019-20.

The main complaint subjects accounting for this increase related to social services, environment and environmental health, and housing. However, we also saw a welcome drop in complaints about complaint handling.

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 Cardiff Council. Still, we saw large increases in complaints numbers across the sector, with the number of complaints increasing by over 40% at several councils.

Figure 4: Local council complaints by subject





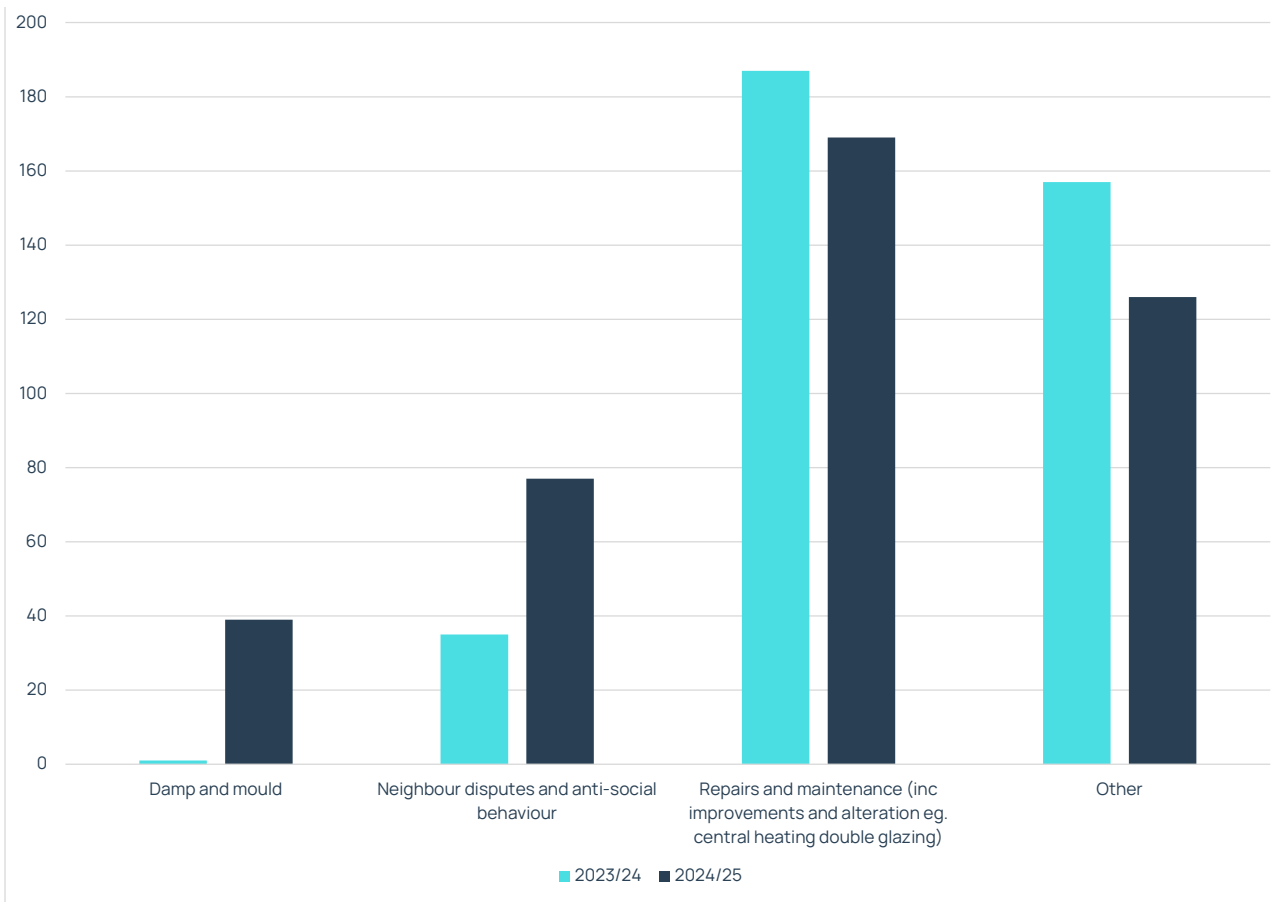
Housing associations

We received 411 complaints about housing associations. This is an 8% increase from the previous year and a very significant 103% increase compared to 2019-20.

Repairs and maintenance made up 41% of our new complaints about housing associations – a welcome decrease compared to 48% last year.

The main subjects responsible for the increase in complaints about housing associations this year were neighbour disputes / antisocial behaviour and damp and mould. This year, we published a thematic report about complaints about damp and mould and we will continue to monitor the impact of these issues on our complainants.

Figure 5: Housing association complaints by subject



# Closed complaints about public services

## Our closed complaints in numbers

### Overall

In 2024-25, we closed **3,165** complaints about public services – 5% more than last year.

### Stage One: Assess

We closed **3,023** complaints after we assessed them, 10% 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, especially if we are in a position to propose how the complaint can be resolved early.

**2,555:** We closed these complaints at assessment because we did not have the powers to investigate them further, they had come to us prematurely or they were not serious enough to meet our threshold for full investigation.

**468:** We closed these complaints by intervening early. This was the highest number of Early Resolutions on record.

### Stage Two: Investigate

We closed **142** complaints after we had investigated them. We only investigate in more complex cases that we cannot resolve in any other way.

**56 (39%):** We did not uphold these complaints, or we discontinued the investigation without any intervention.

**86 (61%):** We upheld these complaints, agreed a voluntary settlement or discontinued the investigation but still offered some Early Resolution when the complaint was being assessed.

Our interventions

If we find that the organisation made a mistake, we will intervene to make sure that it puts things right. We can intervene without investigating by suggesting an Early Resolution. We can also intervene after we investigated - by issuing a report which upholds a complaint, or by suggesting a settlement between the body and the person complaining.

Overall, we intervened in 554 or 18% of the complaints that we closed. Our intervention rate was lower than last year (20%). We adjusted our approach this year, to take forward more non-health related complaints, ensuring that we used our limited casework resources in a balanced way, across all public services. While our historic focus on health-related complaints would generally call for more investigations, as we focused on a broader range of public services, we did not need to investigate, at Stage Two, as often, to deliver justice.

Positively, this year we resolved many more complaints early on. 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. When we can, we want to close complaints promptly. This year, 87% of our interventions included an element of Early Resolution, compared to 70% in 2023-24.

Our interventions by sector

While we intervened this year in 18% of our public service complaints overall, these intervention rates varied depending on the sector concerned.

We present a high-level comparison of these intervention rates below. Detailed breakdown of performance by individual organisations can be found in the Appendix.

	Intervention rate	
Sector	2024-25	2023-24
Health boards	27%	31%
Local councils	13%	14%
Housing associations	17%	10%

### **Example of our intervention through Early Resolution: 202409166**

Mr A complained about Neath Port Talbot Council's handling of his late father's council tax account. Mr A said that the Council's correspondence contained unnecessary aggressive language and lacked compassion. Mr A said that the Council acknowledged where improvements could be made but refused to make any meaningful changes. The Council agreed to:

- review the wording of the documents issued to the personal representative of a deceased taxpayer
- review its current system to allow for the production of newly worded reminder letters to be issued in line with the recovery process, and to
- provide Mr A with a written summary of the outcome of the review.

### **Example of our intervention during and after an investigation: 202402193**

Mrs B complained about fertility care provided to her by Hywel Dda University Health Board and Swansea Bay University Health Board. In our report, we strongly criticised the Health Boards' investigations for lack of objectivity. We asked both Health Boards to review their complaint investigation process with reference to the failings identified and the Ground Hog Day Two report.

In response the Health Boards carried out detailed reviews and identified a number of improvements to their process, including updates to the investigation toolkits and templates and training for staff.

Continued overleaf...

### Example of our intervention during and after an investigation: 202402193 - continued

This case was notable because during the course of the investigation we saw that Mrs B had suffered a serious injustice which needed to be put right as soon as possible. With the constructive engagement of Swansea Bay University Health Board we were able to achieve this.

Mrs B received 2 rounds of in vitro fertilisation ('IVF') (the maximum which is available on the NHS) despite history of a medical condition that affected her chances of success. It was only following the two (unsuccessful) rounds of IVF that Mrs B underwent a procedure to address that condition.

During the investigation, we presented the Swansea Bay University Health Board with the clinical adviser's view that the first 2 rounds of IVF should not have gone ahead prior to the procedure. In the interests of mitigating ongoing injustice, we asked the Health Board to consider offering 2 further rounds on a voluntary basis, given that time is of the essence with fertility treatment, and given that several months might have passed before we could issue a final report with formal recommendations. We were impressed that the Health Board came back to us the next day confirming that it would do this, and offering Mrs B an appointment.

I

## 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 2024-25, we issued 1,472 recommendations to public service providers – a drop compared to 1,679 last year. This reflects our lower intervention rate, across the complaints that we closed.

As in previous years, we most commonly recommended that the organisation should apologise – with this type of action making up about 30% 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 complain to us want to make sure that others will not have to face the same injustice.

About 14% 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. This was a lower proportion than last year (20%).



14% of our recommendations were about making sure that services improve.

## Compliance

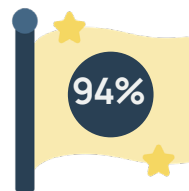
**Our recommendations aim to put things right, secure justice and improve services for the benefit of the public - not just for those who complain. In practice, public bodies routinely carry out the actions we suggest.**

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 we have also changed the way we measure this, to focus on timely action.

- 94% of our recommendations were complied with in 2024-25.
- 56% of these were in time with the target date agreed. This was a lower proportion than last year (67%) and below our target of 75%.

Although this result is shaped by delays in a number of organisations, we had particular issues with the performance of Cwm Taf Morgannwg University Health Board. These issues have now been resolved. However, the time lag in recommendations on old cases being complied with has adversely impacted on our overall compliance rate.

If organisations consistently do not comply with our recommendations, we can issue a 'Special Report', which is a public report. We issue very few Special Reports – none was issued in 2024-25.



94% of recommendations due during the year were complied with during the year.

# Our complaints about the Code of Conduct

## The Model Code of Conduct



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

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

## Independent review of our Code of Conduct work

**Last year, it was brought to our attention that a member of staff who had been the Team Leader of our Code of Conduct Team had been making inappropriate and unacceptable social media posts of a political nature. The member of staff was promptly suspended and shortly afterwards resigned from their role.**

The demonstrable independence, fairness and impartiality of the Office are core to our work and so the Ombudsman appointed Dr 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.

Dr McCullough's [Report on her Independent Review of our Code of Conduct work](#) was published in September.



The review found that the PSOW's Code of Conduct processes and delegations are:

- “appropriate, fair and impartial and free from political bias. In relation to the cases reviewed, the review found no evidence of politically biased decision-making.”
- “robust in terms of safeguarding fairness and impartiality. They are systematic, well documented and supplemented with appropriate guidance and the reasoning for decisions is required to be recorded and explained as applicable.”

While the findings overall were very positive, the review report included a number of recommendations and lessons learned, to “augment the existing safeguards for ensuring the fairness and impartiality of the processes and would clarify the related guidance as applicable.”

We accepted in full the recommendations and lessons learnt.

Following this, the Senedd's Finance Committee published its report on the [Review into the operations, processes and investigations carried out by the Public Services Ombudsman for Wales](#).

The Committee made further recommendations to us in its report.


We delivered the actions against all recommendations and lessons learnt within the agreed time frame and by the end of March 2025. The details of all the recommendations and lessons learned and the actions we have taken in response can be found in the Appendix.

To provide additional assurance, Dr McCullough undertook further [independent assessment](#) of how we implemented the recommendations and lessons learned, as set out in her 2024 Independent Review Report. This assessment concluded that:

- all recommendations and lessons learned were fully accepted by us and have been fully implemented
- we demonstrated a comprehensive, thoughtful and consultative approach to the implementation

- the pace of implementation has been impressive
- a separate quality assurance review confirmed the robustness of our process.

One of the Finance Committee's recommendations to us was for us to adopt new key performance indicators to monitor the quality of Code of Conduct cases closed at the assessment stage of our process. We report on our performance against these indicators in the Appendix.



“The organisation's response to the recommendations and lessons learned from the 2024 Independent Review has demonstrated a high level of professionalism, transparency, and internal engagement throughout the implementation process. The level of staff involvement and external consultation reflects a mature, learning-oriented organisation committed to excellence in public service.”

Dr Melissa McCullough

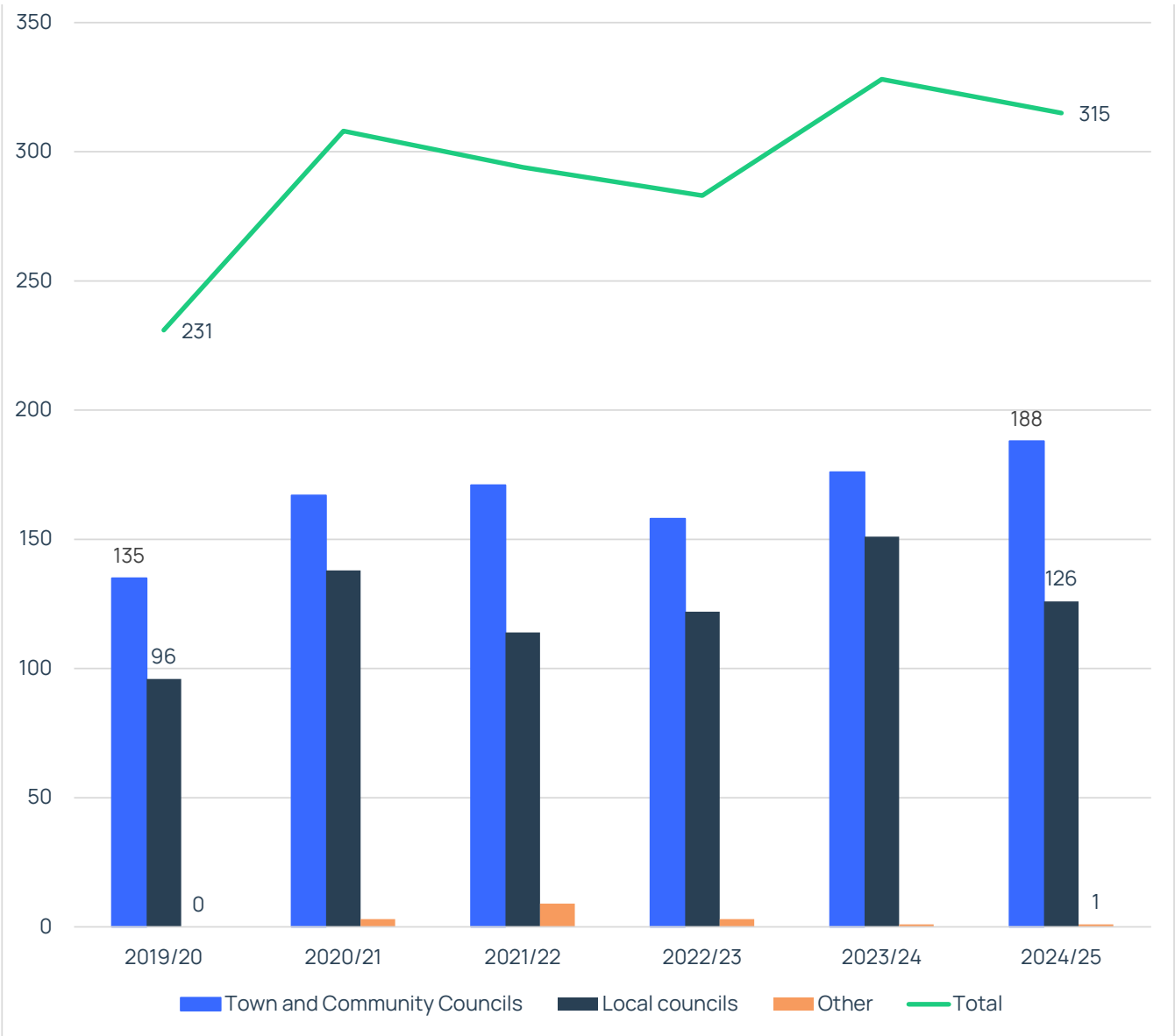
# New Code of Conduct complaints

We received 315 duly made Code of Conduct complaints - 4% less than last year but 36% more than in 2019-20.

Of these, 188 (60%) were complaints about town and community councillors, 126 (40%) about local council councillors and 1 (0.3%) regarding a national park councillor.

Town and community council complaints remain the largest group of our Code of Conduct complaints overall, with a 7% increase in these complaints compared to last year.

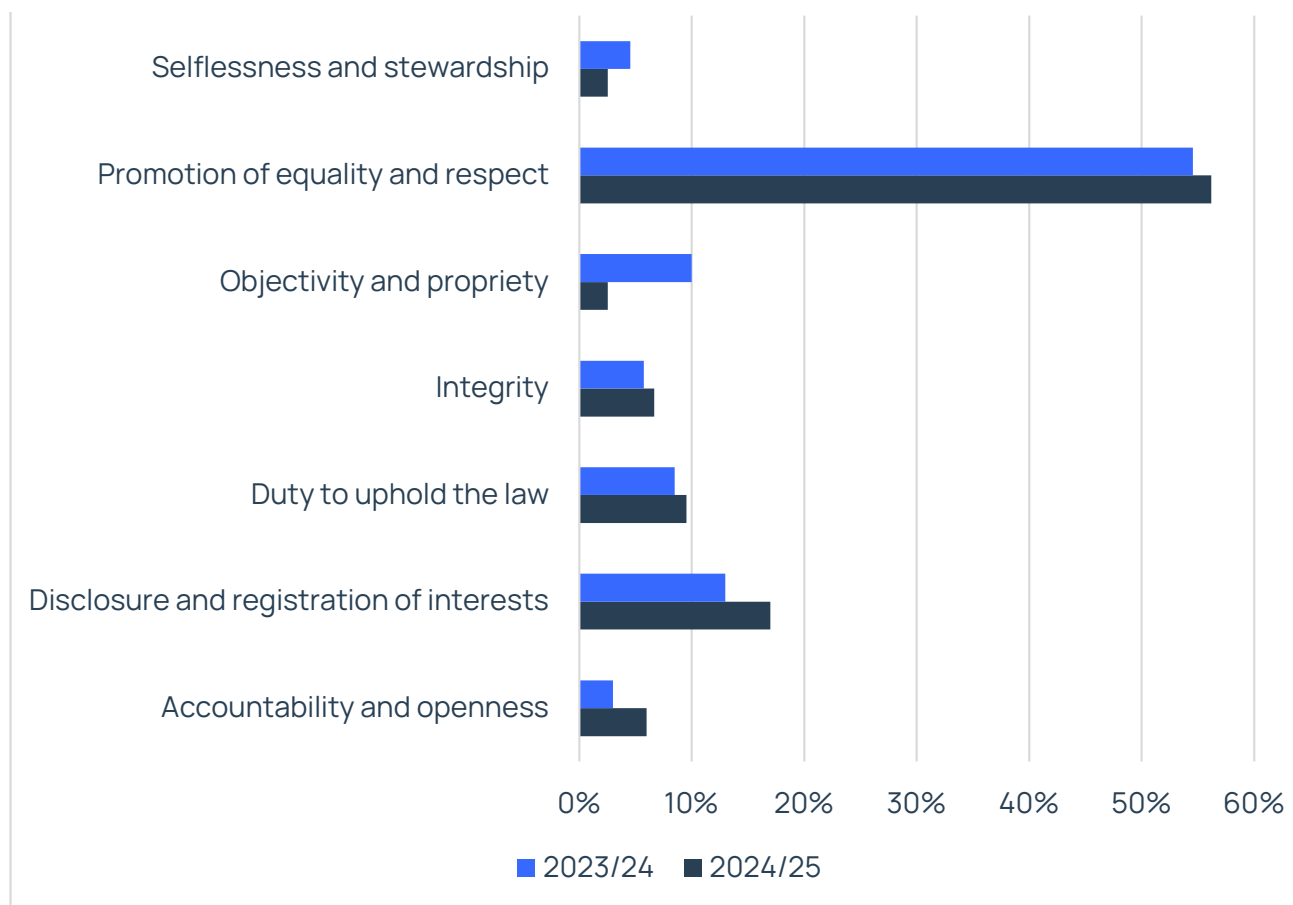
Figure 6: Our new complaints about the Code of Conduct



We analyse and report on the subject of Code of Conduct complaints, based on [the Nolan Principles](#) which are designed to promote high standards in public life. The majority (56%) of the complaints that we could investigate were about the promotion of equality and respect – almost the same proportion as last year.

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

**Figure 7: Code of Conduct - new complaints subjects**



## Closed Code of Conduct complaints

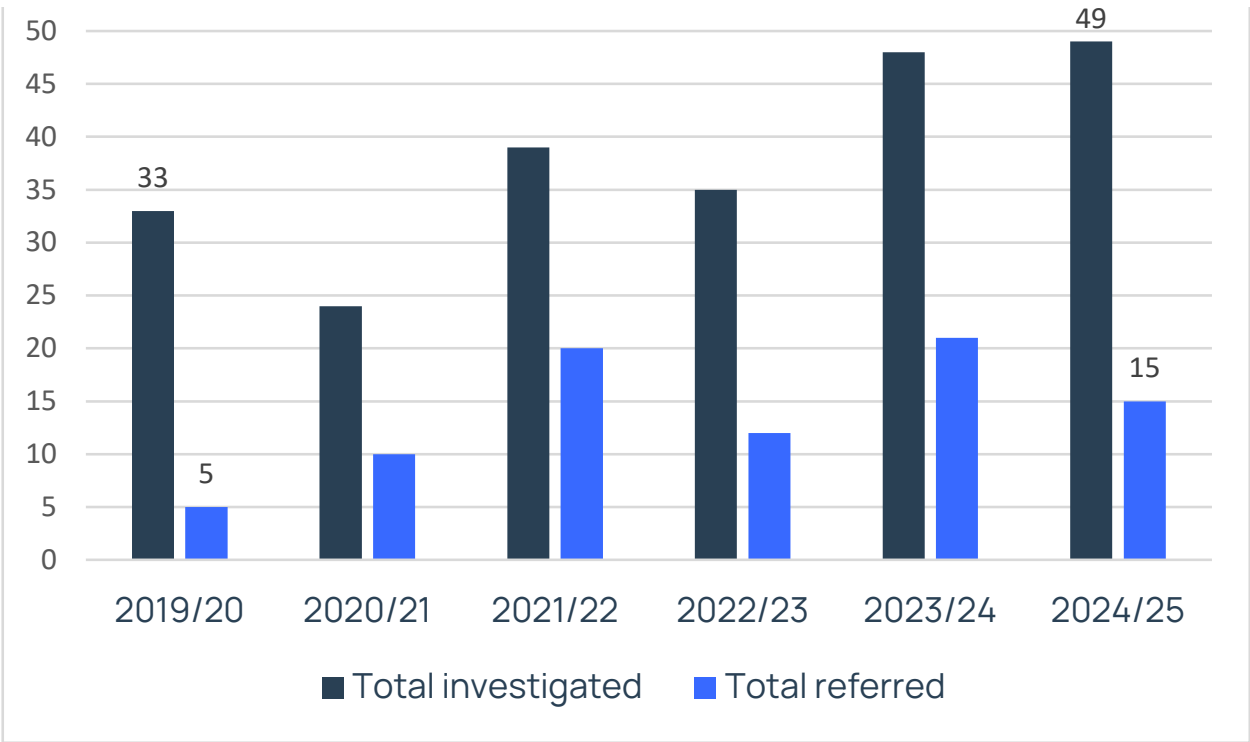
**We investigated 49 (about 15%) of the Code of Conduct complaints that we closed this year – the same as last year. We referred 15 Code of Conduct cases to either the relevant Standards Committee or the Adjudication Panel for Wales. 85% of the suggested breaches we referred were upheld.**

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 2024-25, we closed 320 complaints about the Code of Conduct - an increase of 3% on the previous year and 36% more than in 2019-20.

We investigated 49 of these complaints, about the same number as last year.

**Figure 8: Closed Code of Conduct complaints investigated and referred**



It is not up to us to decide whether a councillor has breached the Code. We investigate and consider whether there may have been a serious breach of the Code 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 2024-25, we referred 15 complaints to the Standards Committees of the relevant local authorities or to the Adjudication Panel for Wales.

Standards Committees of the relevant local authorities and the Adjudication Panel for Wales upheld 85% of the suggested breaches that we referred. This is the same proportion as last year (85%) and demonstrates the ongoing high standard and consistency of our Code of Conduct investigations.

We include overleaf the summaries of all decisions on our referrals this year.



In 2024-25, we referred 15 complaints to the Adjudication Panel for Wales and Standards Committees.

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During the year, these bodies upheld 85% of the suggested breaches that we referred.

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### Flintshire County Council and Connah's Quay Town Council (202201509)

Our [report](#) concerned a complaint that a Councillor of Flintshire County Council and Connah's Quay Town Council had made inappropriate sexualised comments to a vulnerable member of the public, bullied Council Officers, disclosed confidential information, abused his position of trust and failed to declare a personal and prejudicial interest.

The Adjudication Panel for Wales decided to suspend the Councillor from both Councils for 4 months.

### Bridgend Town Council (202203440)

Our [report](#) concerned a complaint that a Former Councillor of Bridgend Town Council, whilst out campaigning for local elections, spoke to a member of the public who said that he would be voting for an opposition Councillor. The Former Member was alleged to have responded using a disrespectful phrase to refer to the opposition candidate.

The Standards Committee of Bridgend County Borough Council decided that the former Councillor should be censured.

### Neath Port Talbot County Council (202207282)

Our [report](#) concerned a complaint that a Councillor of Neath Port Talbot County Council had been arrested by the Police on suspicion of driving his car whilst being under the influence of alcohol and subsequently faced criminal prosecution and sanction at the Magistrates Court.

The Standards Committee of Neath Port Talbot County Council decided that the Councillor should be suspended for 4 months.

### **Porthcawl Town Council (202201160 & 202201353)**

Our [report](#) concerned two complaints relating to social media posts made by a Councillor of Porthcawl Town Council. The Councillor had failed to comply with a request made by this office during the course of the investigation.

The Standards Committee of Bridgend County Council decided to suspend the Councillor for 2 months.

### **Newquay Town Council (202204033)**

Our [report](#) concerned a complaint that a former Councillor of Newquay Town Council had been charged by the Police with malicious intent to blackmail or harass.

The Adjudication Panel for Wales determined to disqualify the Former Member from being a member of any Relevant Authority, as set out in the Local Government Act 2000, for 12 months.

### **Vale of Glamorgan County Council (202200739)**

Our [report](#) concerned a complaint that a Councillor of the Vale of Glamorgan County Council had breached the Code of Conduct when he applied to the Council for a number of business grants.

The Standards Committee of Vale of Glamorgan County Council decided that the Councillor should be suspended for 3 months.



### **Powys County Council and Brecon Beacons National Park Authority (202201455 & 202202498)**

Our [report](#) concerned a complaint that a Councillor of Powys County Council and Brecon Beacons National Park Authority had inappropriately emailed an officer of the Authority to complain about the content of a personal Facebook post that the officer had made and copied senior colleagues into that email.

The Standards Committee of Ceredigion County Council, which considered the case on behalf of Powys, determined that it was appropriate to censure the Councillor. Additionally, the Committee made a training recommendation about the use of social media matters to the Councillor.

### **Ceredigion County Council and Aberystwyth Town Council (202106268 & 202207025)**

Our [report](#) concerned a complaint that a former Councillor of Ceredigion County Council and Aberystwyth Town Council had been involved in a number of separate incidents of inappropriate harassing and stalking behaviour towards women.

The Adjudication Panel for Wales determined that the Former Councillor should be disqualified from being a member of any Relevant Authority, for 3 years.

## Llantilio Pertholey Community Council (202203308)

Our [report](#) concerned a complaint that a Councillor of Llantilio Pertholey Community Council had threatened to punch a fellow Councillor over an argument during a full meeting of the Council.

The Monmouthshire County Council Standards Committee determined that it was appropriate to censure the Councillor. It also made a training recommendation to the Councillor.

## Buckley Town Council (202105656)

Our [report](#) concerned a complaint that a Councillor of Buckley Town Council had called for the Former Clerk's resignation at a Council meeting which was attended by Councillors, staff and members of the public.

Flintshire County Council Standards Committee decided to suspend the Councillor from the Council for 6 months. The Standards Committee also made 4 significant recommendations:

- All Town and Community Councils in Flintshire to ensure new members undertake Code training within 3 months of joining.
- All Town and Community Councils in Flintshire to ensure members sign up to a Civility and Respect Pledge.
- That Members' induction training in all Town and Community Councils in Flintshire should include training on Standing Orders
- All Members of Buckley Town Council to undertake refresher training on the Code of Conduct.

### Bridgend Town Council (202204885)

Our [report](#) concerned a complaint that a Councillor of Bridgend Town Council:

- had failed to declare a personal and prejudicial interest in a Council meeting
- had taken part in a discussion in the Council meeting when he should not have done, given his interests; and
- by taking part in the discussion, had tried to influence a decision on the matter discussed to gain an advantage for his wife.

The Bridgend County Borough Council's Standards Committee decided to suspend the Councillor for 6 months. Although the matter was considered on appeal by the Adjudication Panel for Wales, which recommended a reduced period of suspension, the Standards Committee upheld its original decision.

### Bridgend Town Council (202201997)

Our [report](#) concerned a complaint that a Councillor of Bridgend Town Council had bullied the complainant, an employee of the Council, over a number of years, and had not treated the complainant with courtesy and respect.

The Adjudication Panel for Wales decided to disqualify the Councillor from being a member of Bridgend Town Council for 21 months.

### Chirk Town Council (202107304)

Our [report](#) concerned a complaint that a Councillor of Chirk Town Council sent messages to an individual on social media threatening to report their spouse and prevent them from obtaining work from the Council.

The Wrexham County Borough Council's Standards Committee found that the Councillor failed to comply with the Code of Conduct. It decided that the most appropriate sanction to be applied was a censure and noted that it was the only sanction available to it given the Councillor's resignation from the Council.

### Llansantffraed Community Council (202208582)

Our [report](#) concerned a complaint that a Councillor of Llansantffraed Community Council had breached the Code of Conduct following a criminal conviction for driving whilst over the legal limit for alcohol.

The Ceredigion County Council's Standards Committee found that the Councillor had failed to comply with the Code of Conduct. The Committee decided that the most appropriate sanction to be applied was a censure.

One further decision which we referred to a Standards Committee for hearing was still to be considered on appeal by the Adjudication Panel for Wales at the end of March 2025. For clarity and transparency, we will report on this case and appeal outcome in the next year's annual report.

# 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 an experienced member of staff who was not previously involved in the case.**

## Review requests

In 2024-25, we received 224 requests from complainants asking us to review our decision. This was 13% more than the previous year. In addition, we had carried forward 20 requests from the previous year. We managed to deal with 211 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 38 of these, which is 41% more than the previous year. We responded to 35 of these, carrying forward 3 to 2025-26.

We upheld 6% of the review requests that we dealt with – this is an improvement compared to 2023-24 (8%). 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 (0.4%) and gives us confidence that our process is sound.

When we uphold a review request, we take steps to make sure we learn any lessons.



We upheld only 6% of the review requests that we dealt with this year.

## 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 (as described above). However, the appropriate route to challenge our decisions further is through judicial review.

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, was concluded during 2024-25. Permission to appeal was refused by the High Court in November 2024.

## 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.**

**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. This year, we undertook more research than ever before, to help us capture the impact of our proactive powers.**

### 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.

This year, the proportion of people who said that they were happy with the service they received from us was 42% - slightly higher than last year (40%).

This figure increased to 95% for those satisfied with the outcome of their complaint – a very high proportion, though a slight decline compared to the previous year (98%).

Generally, people tend to be happier with our service if they are happy with the outcome of their complaint. This tended to be when we have intervened in their complaint.

However, this year we also checked in more detail how satisfied people were with our service depending on the type of intervention (early resolution or intervention at investigation stage).

Some aspects of our service were rated higher by people whose complaints we resolved early at assessment. More people in that group felt that we:

- considered the complaint impartially and thoroughly
- considered the complaint in a timely manner
- clearly explained our process.

However, overall, satisfaction scores were higher or much higher among respondents for whom we intervened at investigation. This included overall satisfaction with the outcome and customer service.



42% of people we asked said they were happy with our service.

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People tended to be much happier when we intervened in their complaint.

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This is perhaps not surprising. Our investigations take much longer than the process we use to resolve complaints early, and people whose complaints we investigated have more opportunity to develop a deeper, more personal relationship with our office.

Nevertheless, we take this feedback seriously. We will consider ways in which we can provide a more efficient, empathetic and considerate service, while also effectively managing our limited investigation resources.



## Complaints about our service

In 2024-25, we also handled 32 complaints about our service. Of those that we investigated and closed, we upheld or partially upheld 8, a much lower number than last year.

To put this into context, the upheld complaints about us related to 0.3% of all complaints that we closed during 2024-25.

These complaints related to issues around how we communicated, managed complainant's contact preferences 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 2024-25, 7 people referred their complaints about our service to our external review service. The review service partially upheld 2 complaints. In the first case, we agreed to offer future explanations by telephone to help the complainant better understand any further decisions relating to their ongoing concerns about the conduct of their local council. In the second case, we issued an apology and made a goodwill payment of £50 in recognition of instances where communication was inadequate and, on one occasion, the complainant was not treated fairly.

## What organisations think about our service

Since 2022, we have been conducting an annual online survey of liaison officers that work with us at the bodies within our jurisdiction, to gather views on our service. The results of the survey informed our annual Sounding Boards, allowing us to discuss feedback in detail.

This year, we took a different approach. We commissioned Beaufort Research to undertake a telephone survey of liaison officers, as well as 'stakeholder research' - 8 in-depth interviews with Chief Executives or other senior representatives of local councils, health boards and housing associations. The report on the latter piece of research can be found [on our website](#).

Overall, the research results point to a good level of satisfaction with our service and appreciation of how we use our powers.

Questions in the telephone survey related to aspects such as communications, process, our decision making, provision of guidance and training, quality of publications and our impact:

- Respondents gave us very strong scores (above 90%) across most of the questions.
- Compared to the results in 2022 and 2023, satisfaction scores increased for most questions.
- Overall satisfaction with our most recent service was 8.1/10 – broadly the same as in 2022 and 2023.



Public service providers rated our service 8 out of 10.

We asked respondents to our stakeholder research, about our complaints handling and impact of recommendations; our use of own initiative investigations and thematic reports and our complaints standards and training support. While we will refer to the feedback on our use of our proactive powers later in this report, in general:

- stakeholders expressed a positive perspective of the PSOW's complaints handling, citing its effectiveness, fairness and timeliness.
- there was a high level of trust in our decision-making and recommendations.

However, the research pointed to some areas that we need to look at.

These included:

- timeliness of our updates
- consistency of our deadlines and more appreciation of organisations' capacity to respond
- consistency of our decisions (for example in respect of the redress amounts awarded)
- a perception that we could focus on more significant or impactful complaints.

This feedback is important to us and we will look at what improvements we can make to reflect it.

# How quickly we consider complaints

We understand that the people who come to us want their complaints resolved as quickly as possible and we are committed to dealing with them in a timely manner.

We assessed incoming complaints, or intervened with an Early Resolution, within an average of 4 weeks; well within our target of 6 weeks.

We have also reduced the time it takes us to complete an average investigation, from 64 weeks in 2023-24, to 53 weeks this year.

However, we know that our investigations tend to take longer when we are looking into complaints about the Code of Conduct. We acknowledge that we need to address this challenge and have already allocated additional resources to the Code of Conduct team to reduce our investigation time.



We have reduced the time it takes us to complete an average investigation.

# Service quality checks

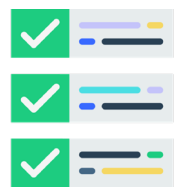
The goal of our Service Quality work is to provide feedback to our staff, and management, on how the actions of our investigation officers, in their day-to-day handling of complaints, affect the level of service we provide to the general public.

Service Quality operates in real time – checking cases 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 289 checks throughout the year.

Overall, our Service Quality checks highlighted the hard work and dedication of our investigation officers who provided a good service on often challenging and complex matters. 84% of cases we checked this year resulted in little or no feedback – against our target of 80%. 68% generated no feedback at all.

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



84% of cases we checked as part of our Service Quality process resulted in little or no feedback.

## Automation and AI

One of our main challenges is how to manage our growing workload without compromising the quality of our service.

- We have already made changes to reduce staff administrative input required on receipt of new complaints, for example through use of automatic acknowledgements with links to relevant factsheets.
- Our website now includes a complaints checker to help reduce the number of complaints coming to us that we are unable to consider.

- We are exploring the use of a portal that could simplify correspondence and exchange of documents as well as providing simpler and more timely updates.

We are also already undertaking research into potential AI solutions and planning AI pilot projects to help us increase efficiencies. We will include more details of this work in our next Annual Report.

# Whistle-blowing Disclosure Report

Since 1 April 2017, the Ombudsman is 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', the Ombudsman is required to report annually on whistleblowing disclosures made in the context of Code of Conduct complaints only.

In 2024-25, we received 26 new Code of Conduct complaints that would potentially meet the statutory definition of disclosure from employees or former employees of a council (16 of which related to the promotion of equality and respect):

- 13 of these complaints proceeded to investigation stage. We have not closed any of those investigations to date.
- 1 of these complaints was still being assessed at the year-end (we were still deciding if we would investigate).

During 2024-25, we concluded some investigations of the complaints received in the previous years:

- We concluded 4 investigations carried over from 2022-23. In relation to three, we decided that there was no action necessary or no evidence of Breach. We referred one investigation to the Adjudication Panel for Wales. A member of Bridgend Town Council was suspended by the Panel for 21 months.
- We concluded 2 investigations carried over from 2023-24. We referred both investigations to the Adjudication Panel for Wales. These cases are awaiting hearing by the Panel.
- One investigation opened in 2022-23 and 9 opened in 2023-24 are still ongoing. One additional case that we were assessing in 2023-24 has since proceeded to Investigation stage.



## **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](#).

# Awareness of our service

We regularly commission a survey to check how many people in Wales know about our services. This survey is based on a representative quota sample, consisting of a minimum of 1,000 adults aged 16+ who are resident in Wales.

This year, 48% of people asked said that they knew about us – only a slightly lower proportion than last year. The result was similar among some groups that rarely complain to us – for example, people from diverse ethnic backgrounds.

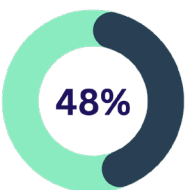
It was also positive that confidence in our office has remained high.

This year, 79% of respondents said that they had confidence in us – the highest proportion on record.

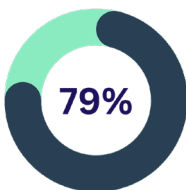
82% of people believed we are impartial and 85% felt they could approach us if they needed to.

These are strong results, suggesting that, on the whole, the Welsh public has a positive opinion of our service.

However, there still is some confusion about the independence of our role, as a large proportion of people believe we can act as an advocate on their behalf, whereas our statutory role is to independently investigate complaints.



48% of people asked said that they knew about us.



79% of people asked said that they had confidence in our service.

# Access

## Contacting us

Some people may find it more difficult to complain than others and there are many ways in which we can help. 86% of our complainants said that we are easy to contact. This was an improvement from last year (83%).

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 162 oral complaints, a much higher number than last year (103).

We want to make sure that everyone who may need to use this service knows about it. Nation-wide awareness research that we commission shows consistently that about three quarters of respondents know that we can accept oral complaints. Just over a half know that we can accept a complaint via British Sign Language (BSL). This shows that the level of awareness of this option to complain is generally good but could still be improved. Therefore, we will continue to raise awareness of this power through our outreach and communications activity.

## 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, 157 people requested extra help using our service.

## Website

Our new website is now fully operational. We have updated our Accessibility Statement and are awaiting an audit by the Government Digital Service. We also invested in intensive PDF accessibility training for our staff responsible for website management and publication design, to ensure that we comply with all accessibility requirements moving forward.



This year, we took 162 oral complaints.

# Diversity and inclusion

We continue in our efforts to make sure that the profile of our complainants reflects the demographic profile of Wales.

In our communications and engagement work during 2024-25, we have continued to focus on several groups of people:

- young people
- 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 National Eisteddfod, Minority Ethnic Communities Health Fair and the Mastering Diversity Conference.

We want to use social media to help us reach out to more people. This year, we secured very strong engagement with our content on X and LinkedIn and we sought new audiences on Threads and Instagram.

Unfortunately, although many of our target groups appear to be well aware of our service, we continue to receive very few complaints from most of them. Next year, we will narrow our focus and redouble our efforts to encourage some of these groups to use our services.

## Advice and advocacy bodies

According to our national awareness research, 26% of people hear about our services by word of mouth. This figure rises to 33% with young people and people in lower-paid occupations. This is why, as well as attending events, we have continued to engage with advice and advocacy bodies to raise awareness of our work.

This year, 9 advice and advocacy bodies took part in training about our powers and process.

We also held a round-table event for these organisations to gather feedback on our use of the power to investigate on our own initiative. We include more details in section 'Our wider investigations' below.



9 advice and advocacy bodies took part in training about our powers and process.

# 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, 27 people asked us to communicate with them in Welsh. We recognise that this is a very low number. Our complaint process is fully available in Welsh. Our research last year suggested that even confident Welsh speakers would generally choose to complain in English. Nevertheless, next year we will continue in our efforts to promote our Welsh language services.

While we received no complaints this year about how we comply with Welsh Language Standards, the Welsh Language Commissioner made us aware of a complaint made to its office about our website. The Commissioner gave us an opportunity to resolve this issue early, without the need for a formal investigation. We addressed the issue promptly and continue to keep the accessibility of our website under review.



Very few people use our service in Welsh. We want to change this.

# **Strategic Aim 3: Increasing impact of proactive improvement work**

# Complaints standards

## Our work in 2024-25

In 2024-25, we continued our important work to introduce Complaints Standards to public bodies in Wales. Following our successful roll-out to all local councils and health boards, we have turned our attention to housing associations.

Currently 54 organisations across Wales operate our model complaints policy. This includes all local councils, all health boards and now most housing associations - representing about 85% of the complaints which we receive. We have targeted these bodies to adopt the policy first, to provide the most benefit to people using public services in Wales.

A significant benefit of our complaints standards role is the availability - for the first time - of regular, reliable and comparable data on complaints across the public sector. Not only does this ensure that public bodies comply with our model policy, but it also promotes better focus by public bodies on using complaints information to improve

service delivery for everyone, not just those with the means and ability to complain.

We have continued our work on standardising recording practices - working with the NHS organisations and local councils - and continued to publish this information twice a year [on our website](#). We are currently looking at how to improve the presentation of this data to make it more accessible and easier to interpret.

Our offer of free complaints handling training has remained popular and we provided a further 52 training sessions to public bodies across Wales during the year. This brings the total to 550 training sessions and 10,000 people, since 2020.



We delivered 52 training sessions on good complaint handling.



## Our impact

Our training is almost universally well received by public service providers:

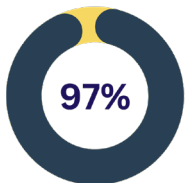
“Since the training I am trying to change my behaviour so that I listen to incoming calls with an open mind and not type up the log notes before they have finished speaking”

“Made me realise how important the process is in supporting not only those individuals that wish to make a complaint but also how it supports us an authority in ensuring continuous improvement.”

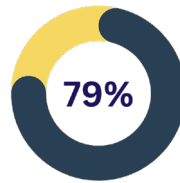
Of the complaints officers that responded to our survey this year:

- 97% agreed that we provide good quality guidance about complaint handling
- 79% agreed that we provide good quality training about complaint handling.

Senior respondents to our stakeholder research reported high levels of engagement and satisfaction with our complaints standards training.



97% of organisations that responded to our survey agreed that we provide good quality **guidance** about complaint handling.



79% of organisations that responded to our survey agreed that we provide good quality **training** about complaint handling.

However, it is most important that our complaints standards work leads to improvements for the Welsh public.

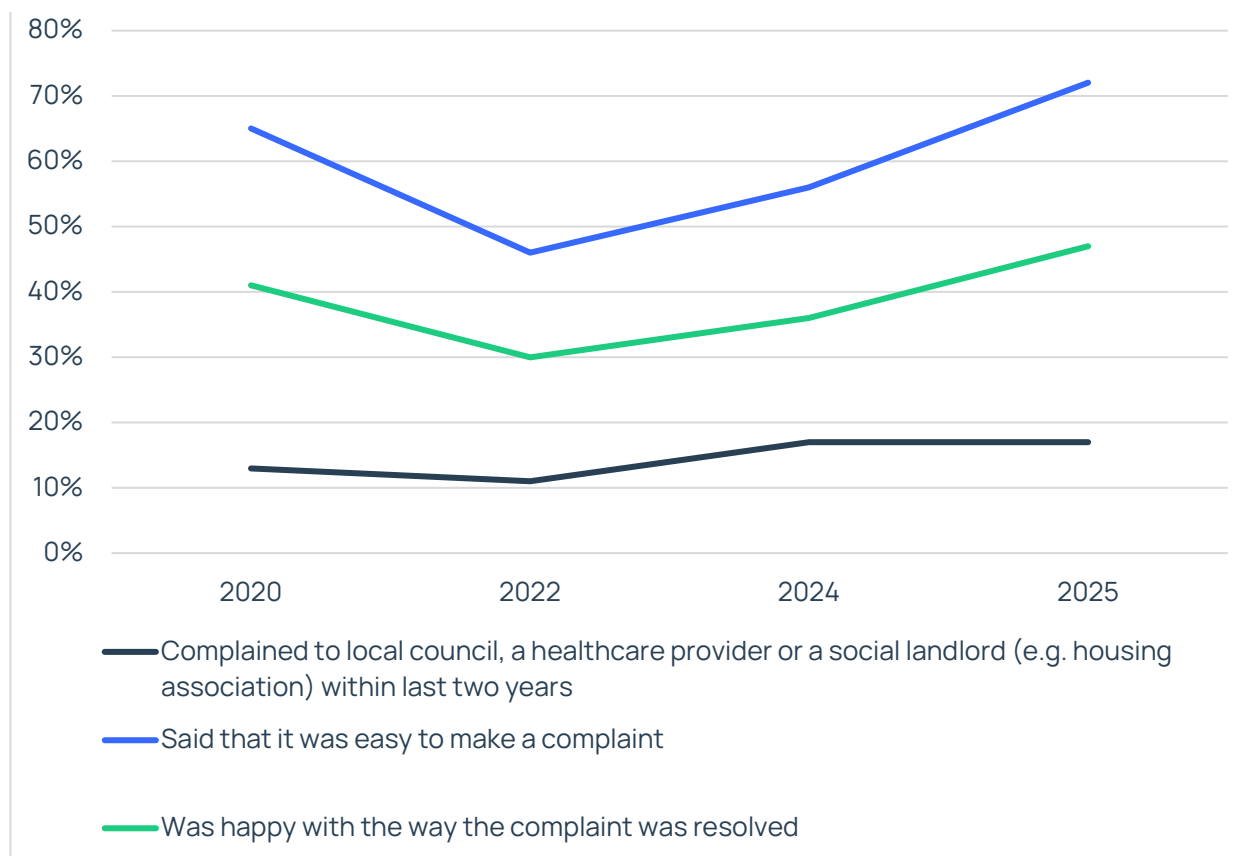
Our complaints standards work has undoubtedly improved reporting standards – with better recognition of what constitutes a complaint leading to increased numbers of complaints being logged by local councils and housing associations.

The results of our national survey also point to some positive trends in the

experience of people complaining to public service providers. Since 2020, we have seen an increase in the proportion of people who complain to local councils, healthcare providers or social landlords.

However, we have also seen an increase in the proportion who said that it was easy to make a complaint and that they were happy with how the complaint was resolved.

**Figure 9: Proportion of respondents to our national survey in 2025 who had experience of complaining during the last 2 years.**



# 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.

To date, we have closed 10 extended investigations. We opened 2 extended investigations in 2024-25. These investigations were ongoing at year-end.

One investigation opened in March 2024 was also ongoing in 2024-25.

This year, we gathered some feedback from people whose complaint investigations we had extended in the past. That feedback shows clearly the important, human impact of this power.

### Complaint reference 202205543

Mr D had complained about his wife's, Mrs D's care and treatment in 2019 at Betsi Cadwaladr University Health Board. He said that there had been a delay in the surgery to remove her appendix and that the Health Board did not investigate her breathing difficulties in a timely way. Following this, Mrs D had suffered a cardiac arrest, requiring a lengthy Intensive Care admission. This had significant impact on her daily life, once discharged from hospital.

Although Mr D complained about the events in 2019, we saw evidence that Mrs D underwent an earlier scan, relating to her appendix, in 2017. We wanted to check whether the Health Board should have considered the removal of her appendix then. We extended our investigation to look into that.

Continued overleaf...

## Complaint reference 202205543 - continued

Mr D told us:

“The Health Board didn’t want to know until the Ombudsman got involved and after I complained it ‘clammed up’. ... I would never have found out that my wife’s appendix problem should have been dealt with sooner but for the Ombudsman’s investigation. I know that this was only possible because of the extra powers given to the Ombudsman a little earlier. In my opinion the office needs all the powers it can get to get to the bottom of things for everyone, as they did in my wife’s case.”

## Complaint reference 202005941

Mrs E complained about the care provided to her late mother (Mrs F) in 2020 by a GP practice in the area of Cwm Taf University Health Board. Mrs F was suffering from increasing pain in her lower leg.

We upheld the original complaint about delays in Mrs F’s referral. However, when we looked at the clinical records, we were concerned about how the Practice prescribed antibiotics and diuretics to Mrs F. We extended our investigation to look into this.

Mrs E told us:

“I am eternally grateful to the Ombudsman for the way my case was handled and without that help I would not have been able to pursue what I did, gain answers and help me to now move on. I was so glad the Ombudsman had those powers (to extend the investigation) as, at the end of the day, being able to get the outcome the Ombudsman did has finally given me some peace of mind. It was devastating to know that my mum suffered the way she did, but good to be vindicated in making the complaint as I knew something wasn’t right. “

## Our wider investigations

### Our second investigation

During the year, we concluded our second wider investigation which looked into carers' needs assessments in Wales. We considered whether 4 local councils – Caerphilly, Ceredigion, Flintshire and Neath Port Talbot – undertook carers' assessments in line with their statutory obligations.

We published the report on this investigation in October 2024. We found that only 2.8% of people in those council areas who identified as carers had received a needs assessment.

In addition, only 1.5% had received a proper support plan following their assessment.

Many carers were also not aware of their rights with regard to assessments and support services that might be available to them.

We identified some areas of good practice by the councils we investigated.

However, we also made several recommendations including to:

- improve recording practices
- improve how information is shared with carers
- offer staff refresher training on carers' rights
- collaborate better with the healthcare sector.

We invited the other local councils in Wales to make similar improvements.

As we did in the case of our first own initiative investigation, we have been actively monitoring how organisations' have been complying with our recommendations.

We are planning to review compliance with the recommendations and any other impacts of the report in October 2025.



We concluded our second wider investigation which looked into carers' needs assessments in Wales.

## Our impact

The Senedd entrusted us with the power to investigate under our own initiative and it is key for us that this power delivers positive impact for the people of Wales. During the year, we gathered some views on the impact of this power from [the largest organisations in our jurisdiction](#) and from [a selection of third sector bodies](#).


Of the complaints officers at local councils that responded to our survey this year, 77% agreed that their organisations were moderately or significantly influenced by our own initiative reports.

Chief Executives and senior respondents indicated that, on the whole, our own initiative investigations were an appropriate and constructive

power, particularly in areas lacking regulatory oversight, by providing an external eye on public interest issues.

Third sector bodies that took part in our research:

- felt that the report into homelessness reviews has stimulated thinking and added weight to policy discussions. For instance, the evidence base of the investigation has been used by the Expert Review Panel convened to review homelessness legislation.
- spoke highly of the investigations and were impressed with the quality of reports produced
- widely supported our recommendations.



“[The report] has really made some difference, it’s shone a light, even if it’s just a little spark for those of us who are on the receiving end of carers needs assessments or have expectations around how the law relates to the way that services manifest their commitment to it. It’s been really, really powerful amongst unpaid carers and clearly there is a lot more work to be done, just to say thank you”.

An organiser of Cardiff and Vale Unpaid Carers Assembly

## 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.**

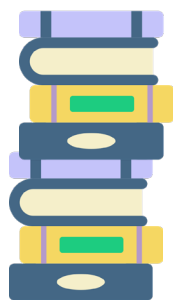
### Public interest reports

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 and share it with other organisations who could learn from our findings or have an interest in the subject matter. The public body must also publish an announcement in the press about the Report.



This year, we issued 8 public interest reports - the same number as last year.

### **Betsi Cadwaladr University Health Board (202300527)**

We found failings in nursing care for Ms A, an adult with learning disabilities. In addition to failing to monitor and manage Ms A's pain and epilepsy, Betsi Cadwaladr University Health Board also failed to communicate with her and support her personal care needs, nutrition and hydration ([full report](#)).

### **Betsi Cadwaladr University Health Board (202207270)**

We found that a cancer patient in the care of Betsi Cadwaladr University Health Board was denied potentially curative surgery and had a biopsy privately, due to an unacceptable delay in the Health Board being able to undertake this procedure ([full report](#)).

### **Betsi Cadwaladr University Health Board (202206250)**

We found that, had Mrs K been treated appropriately at the outset by Betsi Cadwaladr University Health Board, her acute pancreatitis would have been treated successfully and, on balance, her deterioration and death might have been prevented ([full report](#)).

### **Cwm Taf Morgannwg University Health Board (202302939)**

We issued a public interest report against Cwm Taf Morgannwg Health Board after it ignored requests and reminders from us to respond to our draft report and the recommendations for improvements that it included ([full report](#)).



### **GP Practice in the area of Aneurin Bevan University Health Board (202303356)**

We found that a cancer patient would have likely survived longer, had an earlier urgent referral been made by the patient's GP Practice. The patient's symptoms should have resulted in an urgent suspected cancer referral in July 2021. However, despite ongoing symptoms and multiple opportunities, the patient was only referred by the Practice for further investigation in May 2022 ([full report](#)).

### **Welsh Ambulance Services University NHS Trust (202306104)**

We found that the Trust did not properly manage two 999 calls about a patient who collapsed at home and later died. This meant a delay of 32 minutes in an ambulance attending the patient. We also found failings in the standard of advice given by the Trust's staff over the phone as well as record keeping by the attending paramedic. We also found failings in how the Trust handled the original complaint about these failings ([full report](#)).

### **Betsi Cadwaladr University Health Board (202301141)**

We found significant shortcomings in the patient's post-operative care, failures in the informed consent process and inadequate contract monitoring arrangements in place between Betsi Cadwalader University Health Board and Health Trusts in England ([full report](#)).

**Welsh Ambulance Services University NHS Trust and  
Swansea Bay University Health Board (202302966 &  
202307480 )**

We found that the Trust did not correctly consider escalating the ambulance response category when responding to an emergency call about an elderly patient who fell at home. An ambulance arrived at the address around 16 hours after the first of 6 emergency calls made by the family. We also found failings in how the Trust handled the original complaint about these failings. We did not uphold the complaint against the Health Board about the standard of the patient's care once admitted to the hospital ([full report](#)).

## Thematic reports

In line with our legislation, we sometimes issue thematic reports with general recommendations for public bodies, drawing on lessons learned from our casework. This year, we issued two such reports:

### **‘Living in Disrepair’**

In November, we published a thematic report about [housing disrepair and damp and mould complaints](#).

The link between poor housing and health has been well documented and a source of comment over many years. The report presents a selection of our complaints highlighting that:

- too often, occupiers had to raise a complaint in order to obtain remedial work and, similarly, had to repeatedly chase public bodies in order for a complaint to be initiated
- pre-letting inspections by landlords (to ensure properties are both in repair and fit for habitation) were sometimes of questionable quality
- some occupiers in vulnerable situations would have waited significantly longer

for necessary works to be completed, were it not for the intervention of our office

- there were issues around complaint handling, with some complaint responses seemingly being delayed whilst the organisation carried out some works in the meantime, or the organisation failing to properly record a complaint.

As our casework demonstrates, it seems that it is only when proper inspections and surveys are undertaken that landlords will take action. Ultimately, the longer an issue is left, the more costly it will be to rectify and, in these difficult times, it makes good business sense to be proactive.

### **‘Equality Matters’**

In January, we published the second thematic report this year – [‘Equality Matters’](#).

Over recent years, we shared information about cases in which equality and human rights implications have been considered in an annual Equality and Human Rights Casebook.

This year, we decided to issue instead a thematic report, given that some equality and human rights themes continue to appear in casework.

Among the key themes and learning points highlighted in the report is the lack of reasonable adjustments for individuals with disabilities, such as learning disabilities, severe mobility issues, or autism and dyslexia. The Report also notes challenges arising from poor communication with people who have language needs or sensory loss.

Additionally, the report raises concerns about public bodies failing to align service delivery policies with their legal duties under equality and human rights legislation. However, it also highlights examples of good practice that demonstrate how public services can effectively meet equality and human rights standards.

The report makes several recommendations for all public bodies in Wales, focusing on improving inclusion and accessibility across public services.



Living in Disrepair - a thematic report about housing disrepair and damp and mould complaints to PSOW

November 2024

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Equality Matters: improving inclusion and accessibility in public services in Wales

January 2025

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## 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.

This year, as a new development, we will be issuing these letters also to all housing associations.

Information about the annual letters is available [on our website](#).

## 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.

The Ombudsman and our senior staff met during the year with representatives of several Health Boards, local councils and housing associations, as well as with other

key stakeholders responsible for the scrutiny of public services, such as: Health Inspectorate Wales, General Medical Council, Enforcement Conduct Board, Audit Wales, the Welsh Commissioners, the Equalities and Human Rights Commission and other Public Sector Ombudsmen across the UK and Ireland, to share relevant information and insights.

## 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.

During the year, we responded to 8 public consultations. Of these, our focus has been mostly on the Finance Committee's post-legislative review of the Public Services Ombudsman (Wales) Act 2019. The Act requires the Senedd to undertake a post-legislative review, as soon as practicable, five years after the 2019 Act received Royal Assent.

Our [written submission to the review](#) draws on rich evidence to demonstrate the impact of our proactive powers to accept complaints other than in writing; undertake investigations on own initiative and set and monitor complaints standards.

Despite some challenges, we are proud of how we have used these powers to date. We were glad to see that our work has been generally endorsed by public sector providers and third sector organisations that

took part in the research which informed our submission. However, we were particularly pleased to see some evidence of the positive impact of these powers on our complainants and people using Welsh public services.

We have also taken this opportunity to invite the Finance Committee to consider some changes to our legislative framework, to enable us to better serve the people of Wales. These include:

- removing the statutory bar which prevents us from considering a complaint when it could be considered by the courts
- bringing into our jurisdiction complaints about schools and governing body decisions in Wales
- streamlining the process required to launch a wider own initiative investigation
- enabling us to issue sector-wide statutory recommendations, following a wider own initiative investigation.

## **Strategic Aim 4: Ensuring that we are a 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 continues to be 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 2024-25, 77% of our staff achieved this target. This was higher than in the previous year (71%).

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 and undertake an extensive Induction Programme. For staff returning from maternity leave or long-term sickness, we discussed

and agreed their objectives when they returned. This year again 100% of staff completed their PRDP.

We successfully recruited 2 Welsh speaking Graduate Investigation Officers in 2024. The Graduate scheme is a new initiative and involves three years of development to lead to employment as an Investigation Officer (IO). They are on a programme of structured development and rotation which gives them exposure and experience in all work and teams. This allows them the opportunity to learn all of the skills needed to be a successful IO.



# 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% to 2.3% this year. An average of 5.8 days per employee were lost because of sickness, compared to 7.7 days in 2024-25. This is a significant improvement.

We have continued to offer staff support to safeguard their wellbeing. We have delivered a series of 'lunch and learn' events on the stress risk assessment process and the wellbeing passport; both are mechanisms in place for staff to use to access support. We carried out extensive consultation during 2024, through staff focus groups, to explore what more we can do to support staff going forward.

We continued to offer Mental Health First Aider support to staff, support through Menopause Mentors and continued to offer our external counselling services. Our Wellbeing Working Group has continued to deliver a schedule of events throughout the year for staff to access. This has included voluntary health assessments held on site. We have continued to look for ways to handle work more efficiently and continue to successfully recruit excellent staff when vacancies arise.



On average, fewer working days were lost this year due to staff sickness.

## 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 and job candidates reflects the population of Wales.

### Our staff

The proportion of people in our workforce who identified with diverse ethnic backgrounds is 5%, a slightly lower proportion than last year. It remains in line with the national proportion of the population of 5.4%<sup>6</sup>.

4% of our staff identified as disabled, a decrease, compared to 6% last year. This is significantly lower than the proportion of disabled people in Wales.

We also look at gender equality in our workplace. 74% of our current staff identified as female (compared to 77% 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.

In 2024-25, of people applying to join us:

- 8% were from diverse ethnicities – about the same as last year
- 8% said that they were disabled – about the same as last year
- 13% said their main language was Welsh – a much higher proportion than last year
- 5% were under 25 – a slightly higher proportion than last year.

## Gender pay gap

For the first time since we started reporting, we have recorded a negative gender pay gap:

- our mean gender pay gap was -6%
- our median gender pay gap was -5%

This means that, on average, women in our organisation are paid more than men.

While we are proud of this result, we have always been clear that, in a small organisation, individual appointments can make a significant difference to the pay gap calculations.

For comparison, [the UK Government-commissioned research](#) suggests that, in 2024, the mean gender pay gap in the UK stood at 6.9% and median at 4.4%.



Our gender pay gap was negative.

# Welsh language skills of our staff

Under the Welsh Language Standards, every year we measure the Welsh language skills of our workforce.

In 2024-25, 12% of our staff said that Welsh was their main language. This was an increase from 8% last year.

The proportion of people who spoke Welsh fairly well or fluently has increased compared to the previous year:

- Speaking: 28% (compared to 21%)
- Reading: 27% (compared to 24%)
- Writing: 26% (compared to 21%)
- Understanding: 28% (compared to 21%).

We supported 3 colleagues to undertake Welsh language training during the year.



Welsh language skills of our staff have improved.

# Staff survey

Historically, we have conducted our staff survey every two years. This has always helped us to understand how our staff feel about the organisation and their work. The survey asks staff to give specific feedback on a wide range of areas that impact on the way we work and the results help us to consider any improvements.

To ensure feedback is relevant and timely, we have now taken the decision to conduct this survey annually.

We are pleased that 69 out of 70 staff took part in our staff survey this year, with a response rate of 99%.

We are also pleased with the survey results, which indicate a real improvement on the results of the previous year.

One of our key performance indicators is the number of staff who would say PSOW is a great place to work. We were pleased to see a significant increase in that respect, with 91% of staff saying that it is a great place to work, in comparison with 74% last year. In addition, 93% of staff said they were proud to work for PSOW, compared to 83% last year.

Below, we present average favourable scores across questions under each survey heading (where the respondent agreed or agreed strongly).



91% of our staff said that PSOW was a good place to work.

Theme	2024/25 Average favourable score	2023/24 Average favourable score	% difference
My job	78%	74%	+4%
Internal Communications & Engagement	83%	69%	+14%
IT arrangements and facilities	83%	60%	+23%
Our service	77%	74%	+3%
My manager	90%	77%	+13%
Leadership	79%	62%	+17%
Learning & Development	81%	69%	+12%
Equality & Diversity	87%	76%	+11%
Work life balance and wellbeing	81%	68%	+13%
Perceptions of PSOW	92%	82%	+10%

# Sustainability

We understand that we need to play our part in protecting the environment and continue to develop sustainable working practices. This year, we produced 7,740kg of waste. This was 38% more than last year and reflects the fact that more staff are working from the office, compared to the previous year. We were able to recycle 84% of waste and sent no waste to landfill.

Office presence remains flexible and working from home continues to be the preferred place of work. Since January 2025, all staff have been provided with a laptop which has made working from home or the office accessible to all. Our electricity usage has reduced by 25%.

Emissions data now includes actual data rather than average as we are able to report on where staff are working from (office/home), their commuting mileage and any other business travel. This year we saw a 7% reduction in our total emissions.

We produced 58,514kg of CO<sub>2</sub>e which is 2% under our target figure of 60,000kg.

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 detailed information on how we managed waste, used electricity and calculated emissions.



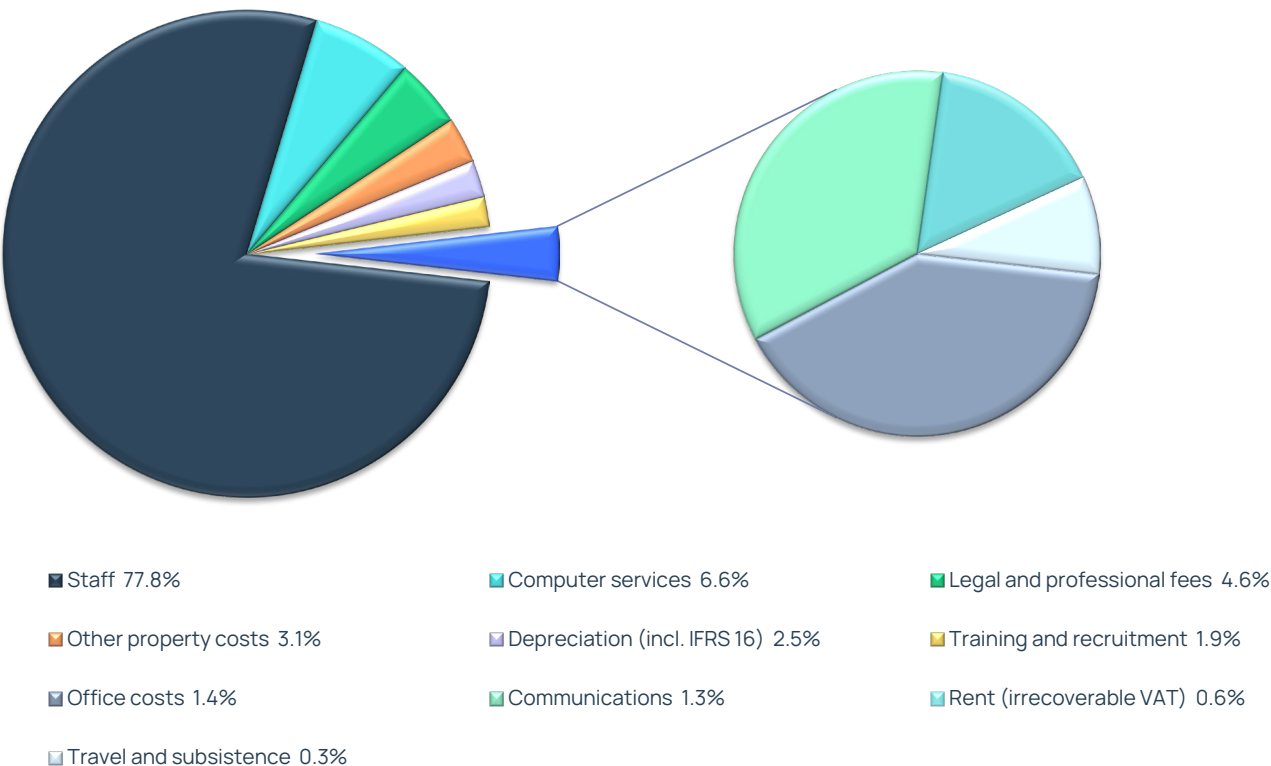
We reduced our CO<sub>2</sub> emissions by 7%.

# 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.

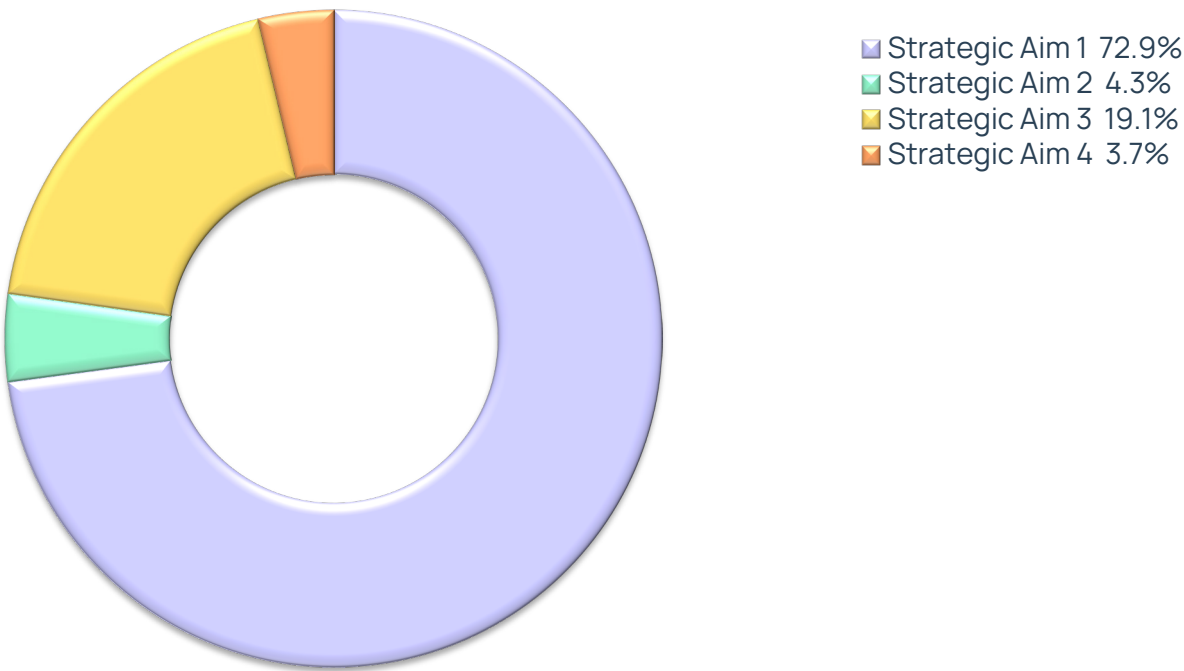
Resource Out-turn	2024/25	2023/24	Change
	£000	£000	£000
Total Resource	6,089	5,736	+353
Cash Requirement	6,211	5,729	+482

## Gross Resource Expenditure 2024/25





# Analysis of Spending by Strategic Aims

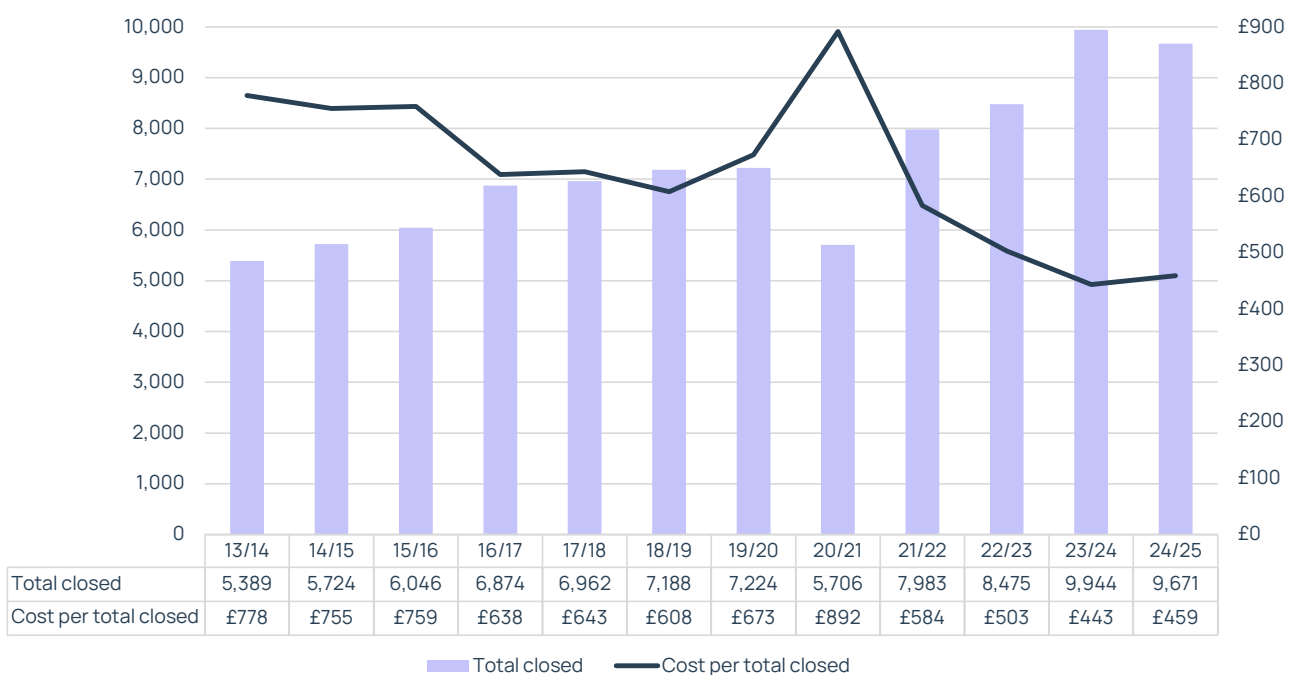


## Casework Costs

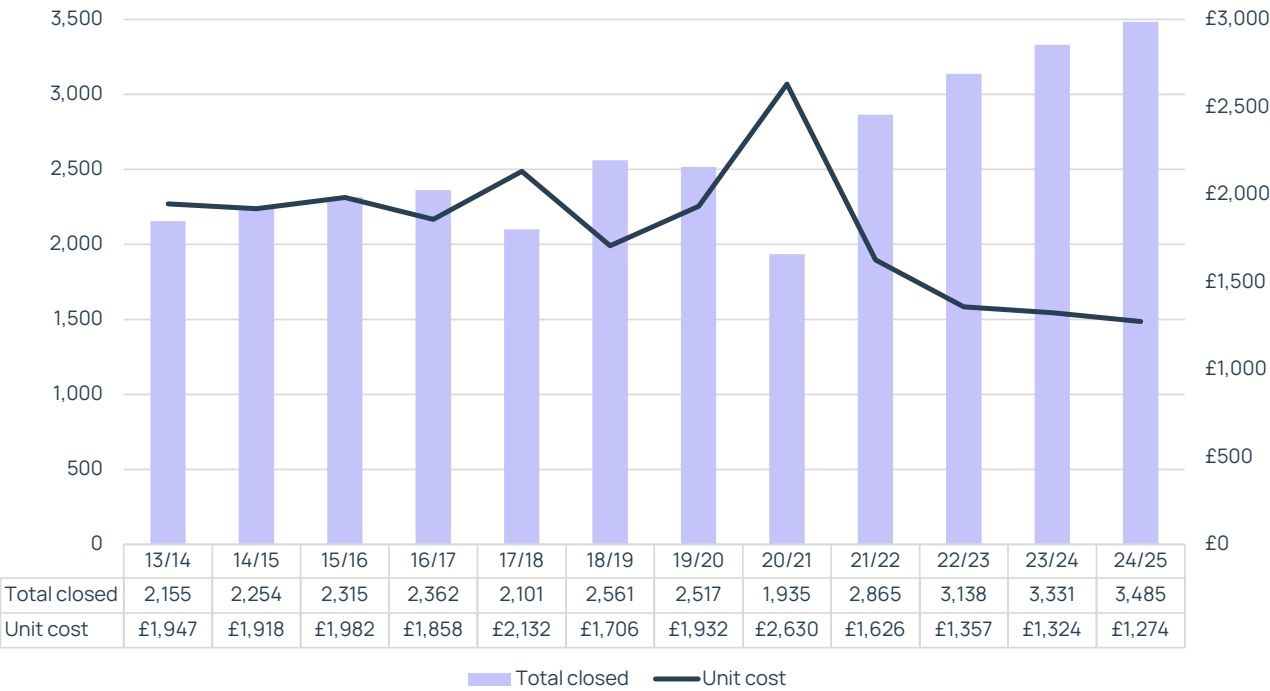
As outlined in previous Annual Report & Accounts, we present average costs as calculated for our main activity – receiving, considering, investigating and responding to enquiries and complaints. This is our activity under Strategic Aim 1, and we will use the analysis figures for Operating Costs by Strategic 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 Casework (Enquiries & Complaints) Closed



Cost per Case for Total Complaints Closed



Note: These graphs are based on expenditure on this Strategic Objective and adjusted to 2024/25 prices. Figures reported in previous Annual Reports are not directly comparable due a change in approach during 2021/22.

## Proactive Powers

We identify expenditure related to the additional powers provided to the Ombudsman under the Public Services Ombudsman (Wales) Act 2019, and for 2024/25 this is as reported below.


<b>PSOW Act 2019: Expenditure in 2024/25</b>	<b>£000s</b>
Staff costs	359
Communications	15
Premises	14
Professional Fees	8
Training and Recruitment	7
Computer Services	4
Professional Advice on Own Initiative Investigation	1
Travel & Subsistence	1
<b>Total</b>	<b>409</b>
Budget	420
<b>Variance</b>	<b>11</b>

The Senedd Finance Committee are currently conducting a post-legislative review of the Public Services Ombudsman (Wales) Act 2019. You can read our evidence submission to the Committee [here](#).

## Expenditure to 31 March 2024 compared to previous year

	2024/25	2023/24	Reasons for significant changes
	£000	£000	£000
Salaries	3,444	3,211	Pay award settlement of £1,290 or 2.50%, whichever was higher.
Social Security costs	355	326	
Pension costs	946	865	
Pension fund charges	49	38	
<b>Total Pay</b>	<b>4,794</b>	<b>4,440</b>	
Rent	35	28	IFRS 16 implications of new lease in 2024/25
External Audit fee	22	21	
Legal and professional fees	259	180	Cost of Independent Review £66k in 2024/25
Other property costs	188	216	Release of dilapidations provision in 2024/25
Computer services	405	453	Hardware & security upgrades in 2023/24
Office costs	89	94	
Travel and Subsistence	19	16	
Training and Recruitment	120	40	Increased recruitment costs in 2024/25
Communications	77	53	Increased engagement work in 2024/25
Depreciation	151	233	IFRS 16 implications of new lease in 2024/25
<b>Total other Administration Costs</b>	<b>1,365</b>	<b>1,334</b>	
<b>Gross Costs</b>	<b>6,159</b>	<b>5,774</b>	
Income	(70)	(38)	Staff secondment to Senedd Commission
<b>Net Expenditure</b>	<b>6,089</b>	<b>5,736</b>	
Capital	-	-	
<b>Net Resource</b>	<b>6,089</b>	<b>5,736</b>	

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

A handwritten signature in black ink that reads "MMA Morris". The letters are stylized and somewhat cursive.

**Michelle Morris**

**Accounting Officer**

Public Services Ombudsman for Wales

23 July 2025

# Accountability Report 2024-25



# Corporate Governance Report

## Ombudsman's 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 Senedd. 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 Senedd.

As at 31 March 2025, the Office comprised 81 permanent full and part-time staff based in Pencoed, Bridgend including the Ombudsman, an interim Executive Director - Corporate Resources, Executive Director - Casework & Legal, as well as investigation and support staff.

The Welsh Parliament provided cash of £6.2 million for the funding of the Office. £25k 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 2023 and amended by Supplementary Budgets during 2024/25.

Our unit costs have shown a small increase, which reflects a slightly lower overall number of total cases closed and a continued fall in the levels of CPI inflation at the end of March 2025, compared to previous year end figures.



## 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, Executive 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 2025 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 2024/25

The accounts have been prepared to:

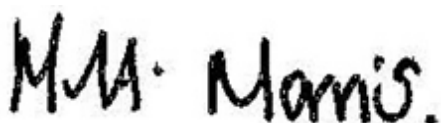
- Give a true and fair view of the state of affairs at 31 March 2025 and of the net resource out-turn, resources applied to objectives, recognised gains and losses and cash flows for the financial year then ended.
- Provide disclosure of any material expenditure or income that has not been applied for 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 2024/25 was £22k (2023/24 = £21k).

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 2025

# 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 2024/25

## 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 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 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. These areas will be covered in the remainder of this report.

## 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 supporting high standards of conduct amongst councillors.
- **Strategic Aim 4: Ensuring that we are a healthy, efficient and accountable organisation:** We maintain and improve 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 2025 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 by management and are 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 2024/25 was:

- Ian Williams – Chair (term of office concluded July 2024)
- John McSherry
- Mike Usher – Vice Chair (until July 2024), Chair from October 2024
- Joanest Varney-Jackson (term of office concluded July 2024)
- Jane Martin CBE
- Dave Tosh OBE – Vice Chair from October 2024
- Laura Davies (from October 2024)
- Jayne Woods (from October 2024)

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 and this took place in February 2025.

## **(d) Meetings**

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

In addition to the usual meeting cycle, in September & October 2024 ARAC members took part in two additional sessions on the office's response to the previous year's social media incident and on the impact this had on staff wellbeing. Both sessions were also attended by members of the Advisory Panel.

The Ombudsman attends all ARAC Meetings and the Chief Operating Officer acts as Secretary to the Committee. 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 including budget management, risk management and declarations of any identified fraud or losses, including any data losses.

Regarding budget management, 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.

Regarding 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. In addition, the Committee undertakes, at alternate meetings, an in-depth review of a specific risk selected from the risk register.

During the year, the Committee also received reports on a number of other appropriate matters within its Terms of Reference, including regular updates on the progress of Dr Melissa McCullough's Independent Review. They included:

- the 9- and 12 month accounts
- internal audit plans and 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 2024/25 Annual Governance Statement included appropriate information and complied with best practice.

The Committee is chaired by an independent member and includes the Chair 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)	2	2	100
John McSherry	4	4	100
Mike Usher (Vice-Chair/Chair)	4	4	100
Joanest Varney-Jackson	2	2	100
Jane Martin CBE	4	3	75
Dave Tosh OBE	4	4	100
Laura Davies	2	2	100
Jayne Woods	2	2	100

## **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, including a review of our Risk Register. 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 meaning there is a robust system of internal controls operating effectively to ensure that risks are managed and process objectives achieved. A number of recommendations were made, and these have either been completed or will be completed in accordance with agreed timescales.

The lower level of assurance on the Cyber Security audit was as a result of policy and record-keeping related matters, rather than any specific operational issues that increased our level of risk. The report made 4 recommendations, all of which had been implemented by 31 March 2025.

The internal audits undertaken in 2024/25 and overall assessments were as follows:

	Assurance level
Governance – Operational Performance Management	SUBSTANTIAL
Complaints Handling	SUBSTANTIAL
Staff Declarations of Interest & Staff Standards of Conduct	SUBSTANTIAL
Contract Management	SUBSTANTIAL
Cyber Security	REASONABLE
<b>Key Financial Controls:</b>	
Payroll & Travel Expenses	SUBSTANTIAL
General Ledger	SUBSTANTIAL
Income	SUBSTANTIAL

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 2024/25 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 2023/24 Annual Report and Accounts that included the Governance Statement, together with the External Audit of Financial Statements Report and Management Letter. An unqualified opinion was given by Audit Wales on the 2023/24 Accounts. There were no recommendations arising from the external 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, satisfied itself that both auditors were co ordinating 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. The quality of the work has been considered satisfactory.

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 29 April 2025.

**(f) Monitoring processes**

At each meeting during 2024/25, the Committee received a report on progress made on the implementation of 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 2024/25.

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 progress of our Strategic Plan and the Estimate for 2025/26, reviewing the organisation's performance and assessing the impact of the Ombudsman's proactive powers.

As Ian Williams' term of office as ARAC Chair and Advisory Panel member concluded in July 2024, one additional Independent Member of the Advisory Panel (Felicity Mitchell) was appointed from October 2024.

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 2024/25 there was 1 incident which was reported to the ICO, involving data sent by PSOW but not received by the intended recipient.



## 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 Risk Management Policy, 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 2025, I was supported by a Chief Operating Officer to whom some of my responsibilities were delegated. The Chief Operating Officer left the organisation at the end of February 2025, and recruitment is currently ongoing for a replacement. From March 2025, an Interim Executive Director - Corporate Resources has been appointed to cover this post until the permanent position is filled.

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 managing 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 (2023/24) highlighted two high risks. These related to events at the turn of the year (March/April 2024), involving the inappropriate social media posts of a (now former) member of staff, which had a significant impact on the reputation of the office and on staff.

The publicity around the social media posts, and the comments of some politicians, prompted concerns about impartiality in our work. To address these concerns, an Independent Review of decisions made by staff not to investigate code of conduct complaints, and of the processes used for considering and investigating code of conduct complaints, was undertaken by Dr Melissa McCullough (Commissioner for Standards for the Northern Ireland Assembly, and the Jersey and Guernsey States Assemblies). That review found no evidence of political bias, and it concluded that processes and delegations to staff were sound. We have accepted the findings and implemented all recommendations for further improvement, and have invited Dr McCullough to return in 2025/26 to review our progress. You can read Dr McCullough's full report [here](#).

The Senedd Finance Committee also conducted their own review into our operations, processes and investigations, and published their report in October 2024. The report concluded that the Committee has confidence that we are able to undertake our work with impartiality and fairness, and also made a number of recommendations for further improvement. We have responded to the report and implemented all recommendations by 31 March 2025. You can read the Committee's full report [here](#).

The incident and political reaction to it also had a significant impact on our staff. The most significant impact was a dip in morale and confidence of the Code Team members, who take pride in their work and felt both vulnerable and fearful of challenges and intrusion into their own private lives/social media activity. We have, and will continue to, support our staff. All staff have access to counselling services, and mutual peer-to-peer support is encouraged.

At 31 March 2025, the Risk Register identified the following high risk:

Risk theme	Risk/issue and impact:	Risk/issue management and mitigation:	Residual risk:
<b>Casework</b>	<p>If we continue to manage our increasing caseload by raising the bar for cases which are suitable for resolution or accepted for detailed investigation, then we will risk only being able to intervene positively in a small proportion of our caseload with casework resources being devoted to closing cases at initial consideration.</p> <p>Despite managing the year on year increases in complaints by applying our public body proportionality &amp; code public interest tests, our open caseload at 31 March 2025 was higher than the previous year.</p>	<p>We have finalised our Medium Term Financial Plan, which has forecast future caseloads and the impact on organisational capacity.</p> <p>We will continue to monitor casework decisions and feedback from review decisions, and consider if there is a need for extra staff as part of our budget planning for 2026/27.</p>	<p>As we are likely to continue to see similar increases in complaint volumes in 2025/26 we will not be able to maintain this level of intervention on complaints or reduce our code investigation times. Therefore the residual risk is considered <b>RED</b>.</p>

## Risk Assurance Framework Arrangements

PSOW Framework			
<ul style="list-style-type: none"><li>• Strategic objectives from Corporate Plan<ul style="list-style-type: none"><li>• Work programme</li><li>• Risk management</li><li>• Anti-fraud policy</li></ul></li><li>• Governance framework</li><li>• Policies, procedures and code of conduct</li></ul>			
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.
<b>Central Guidance</b>		PSOW policies, plans and risk register	Annual Governance Statement
HM Treasury. FReM. Managing Welsh Public Money. Public Sector Internal Audit Standards.			
Assurance Map Components			
<b>1st line of defence</b> Strategic and operational delivery reporting. KPI reporting. Financial controls / Budget monitoring.	<b>2nd line of defence</b> Risk register reviews. Quality assurance. Information security assurance.	<b>3rd line of defence</b> Internal audit reports. Financial Manager spot checks.	
<b>Other assurances</b> External audit. Scrutiny by Finance Committee.			

I and my Management Team will continue to work to manage and minimise all key risks in line with our assessed risk appetite, and the risks will be considered at each meeting of the Audit & Risk Assurance Committee.

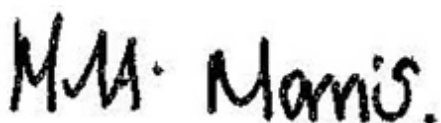
## Budgeting Process

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 2025/26, a paper setting out initial budget criteria was considered by the Advisory Panel in July 2024. Overall, the submission sought an increase of 2.0% 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 2025.

## Conclusion

I am satisfied that there were no significant weaknesses in the office's system of internal controls in 2024/25 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 2025

# 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, Simon Hart – Interim Executive Director – Corporate Resources, and Katrin Shaw – Executive Director – Casework & Legal.

Single Total Figure of Remuneration					
2024/25					
Officials	Salary (£'000)	Bonus (£'000) payments (£'000)	Benefits in Kind (to nearest £100)	Pension benefits (to nearest £1,000)	Total (£'000)
Michelle Morris	155-160	-	-	73,000	230-235
Chris Vinestock (until 2 March)	110-115	-	-	50,000	160-165
Simon Hart (from 3 March)	5-10	-	-	-	5-10
Katrin Shaw	105-110	-	-	78,000	180-185

Chris Vinestock was employed as Chief Operating Officer until 2 March 2025. The annual equivalent of his salary is £115,596 per annum.

Simon Hart was employed as Interim Executive Director - Corporate Resources from 3 March 2025, on a 0.5 FTE basis. The annual equivalent of his salary is £63,000 per annum.

Single Total Figure of Remuneration					
2023/24					
Officials	Salary (£'000)	Bonus (£'000) 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

## Salary

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

## Off-payroll engagements

At 31 March 2025, there were the following off-payroll appointments:

Highly paid off-payroll worker engagements, earning £245 per day or greater.	As at 31 March 2025	As at 31 March 2024
Number of existing engagements	1	0
Of which:	1	0
Existed for less than 1 year		

All highly paid off-payroll workers engaged at any point during the year, earning £245 per day or greater.	2024/25	2023/24
Number	1	0
Of which:	1	0
Subject to off-payroll legislation and determined as out-of-scope of IR35		

There were no off-payroll engagements of board members or senior officials with significant financial responsibility between 1 April 2024 and 31 March 2025.



## 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 2024/25 was £155-£160,000 (2023/24 = £150-£155,000).

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

	2024/25	2023/24
25th percentile remuneration	£37,938	£36,648
25th percentile pay ratio	4.2	4.2
50th percentile remuneration	£49,764	£48,474
50th percentile pay ratio	3.2	3.1
75th percentile remuneration	£50,799	£50,799
75th percentile pay ratio	3.1	3.0

In 2024/25, no employee received remuneration in excess of the highest-paid director (2023/24 = none).

Remuneration ranged from £27,000 to £160,000 (2023/24 = £26,000-£155,000). 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 £1,290 per full time equivalent or 2.50%, whichever was higher, was awarded to staff in October 2024 backdated to April 2024.

## Pensions

Pension entitlements for the persons shown earlier in the report are detailed below:

### 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 31/03/25				As at 31/03/24
	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	30-35	2.5-5	504	56	405
Chris Vinestock	30-35	2.5-5	510	39	430
Katrin Shaw	50-55	2.5-5	1057	65	950

Simon Hart is not included in these calculations as he has 'opted-out' of the PCSPS. 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 5.8 days per employee were lost through sickness, compared with 7.7 days in 2023/24. This is the equivalent of 2.3% (3.1% in 2023/24) of total possible workdays. This reflects typical short-term absences and a small number of staff incurring long-term sickness.

## Reporting of Civil Service and other compensation schemes

No exit packages were paid in 2024/25 (2023/24 = Nil).

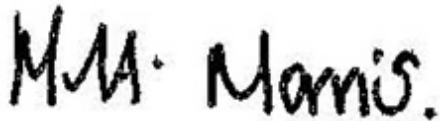
## Advisory Panel and Audit & Risk Assurance Committee

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

	2024/25	2023/24
Mike Usher	4,600	2,950
Jane Martin CBE	4,200	3,350
Dave Tosh OBE	2,300	1,100
Ian Williams	2,200	3,050
John McSherry	2,000	1,900
Nia Roberts	1,900	1,400
Sue Phelps	1,800	1,100
Carys Evans	1,600	1,400
Bernie Davies	1,500	1,400
Felicity Mitchell	1,000	-
Joanest Varney-Jackson	800	1,800
Laura Davies	800	-
Jayne Woods	800	-

These figures comprise payments made to members for attendance at meetings, workshops and training sessions during 2024/25. Some members also assisted with staff recruitment during the year.

For staff reporting issues see the Annual Equality Report.

A handwritten signature in black ink that reads "MMA Morris".

**Michelle Morris**

**Accounting Officer**

Public Services Ombudsman for Wales

23 July 2025

# Welsh Parliament Accountability and Audit Report

In addition to the primary statements prepared under **International Financial Reporting Standards (IFRS)**, the Government Financial Reporting Manual (FReM) 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 2025

	Revised Estimate			Out-turn				2023/24
	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	6,335	(72)	6,263	6,159	(70)	6,089	174	5,736
Capital	5	-	5	-	-	-	5	-
<b>Resource DEL</b>	<b>6,340</b>	<b>(72)</b>	<b>6,268</b>	<b>6,159</b>	<b>(70)</b>	<b>6,089</b>	<b>179</b>	<b>5,736</b>
<b>Total Resources</b>	<b>6,340</b>	<b>(72)</b>	<b>6,268</b>	<b>6,159</b>	<b>(70)</b>	<b>6,089</b>	<b>179</b>	<b>5,736</b>
<b>Net Cash Requirement</b>	<b>6,308</b>	<b>(72)</b>	<b>6,236</b>	<b>6,251</b>	<b>(70)</b>	<b>6,211</b>	<b>25</b>	<b>5,729</b>

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 2025

	Note	2024/25			2023/24
		Revised Estimate	Net Total Out-turn	Net total out-turn compared to revised estimate	Out-turn
		£000	£000	£000	£000
Net Revenue	2-4	6,263	6,089	174	5,736
Net Capital	6	5	-	5	-
<b>Total Resources</b>		<b>6,268</b>	<b>6,089</b>	<b>179</b>	<b>5,736</b>
Depreciation	6	(159)	(151)	(8)	(233)
Movements in working capital	6-9	107	124	(17)	214
Movements in provisions	10	20	149	(129)	12
<b>Net cash requirement</b>		<b>6,236</b>	<b>6,211</b>	<b>25</b>	<b>5,729</b>

*M.A. Morris.*

**Michelle Morris**

**Accounting Officer**

Public Services Ombudsman for Wales

23 July 2025

# 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 31st March 2025 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 material 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 2025 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 2025 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 2025.

## 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 and regularity of public sector bodies 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 twelve 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 Public Service 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 section 17(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 section 17(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 Sector 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 section 18(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;
- reviewing 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: 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; and
- 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, the Audit and Risk Assurance Committee and legal advisors 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](http://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 2025 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.
- 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.

**Adrian Crompton**

**Auditor General for Wales**

25 July 2025

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

# Annual Accounts 2024-25

# Statement of Comprehensive Net Expenditure

for the year ended 31 March 2025

Administration costs	Note	2024/25	2023/24
		£000	£000
Staff costs	2	4,794	4,440
Other non-staff administration costs	3	1,365	1,334
<b>Gross Administration Costs</b>		<b>6,159</b>	<b>5,774</b>
Operating Income	4	(70)	(38)
<b>Net Administration Costs</b>		<b>6,089</b>	<b>5,736</b>
<b>Net Revenue Out-turn</b>		<b>6,089</b>	<b>5,736</b>

Notes 1 to 18 form part of these statements.

All activities commenced in the period are continuing.



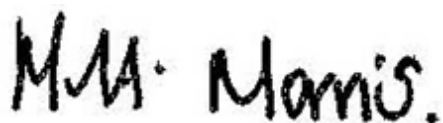
# Statement of Financial Position

for the year ended 31 March 2025

	Note	As at 31 March 2025 £000	As at 31 March 2024 £000
<b>Non-current assets</b>			
Property, Plant and Equipment	6a	43	77
Intangible assets	6b	38	66
Right of use asset	6c	924	231
Receivables due after more than 1 year	7	-	-
		<b>1,005</b>	<b>374</b>
<b>Current Assets</b>			
Trade and other receivables	7	304	325
Cash and cash equivalents	8	25	17
		<b>329</b>	<b>342</b>
<b>Total assets</b>		<b>1,334</b>	<b>716</b>
<b>Current liabilities</b>			
Trade and other payables	9	(1,129)	(446)
Provisions less than 1 year	10	(54)	(49)
		<b>(1,183)</b>	<b>(495)</b>
<b>Total assets less current liabilities</b>		<b>151</b>	<b>221</b>
<b>Non-current liabilities</b>			
Trade and other payables due after 1 year	9	-	(1)
Provisions greater than 1 year	10	(295)	(449)
		<b>(295)</b>	<b>(450)</b>
<b>Total assets less liabilities</b>		<b>(144)</b>	<b>(229)</b>
<b>General Fund</b>		<b>(144)</b>	<b>(229)</b>

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 2025 by:

A handwritten signature in black ink that reads "MMA Morris".

**Michelle Morris**

**Accounting Officer**

Public Services Ombudsman for Wales

23 July 2025

# Statement of Cash Flows

for the year ended 31 March 2025

	Note	2024/25 £000	2023/24 £000
Net cash outflow from operating activities	11	(6,174)	(5,729)
Net cash outflow from investing activities	12	-	-
Financing from Welsh Parliament	13	6,236	5,746
Prior year cash balance repaid		(17)	(1)
Prior year cash not drawn down		(37)	-
<b>Net increase (decrease) in cash equivalents after adjustments for payments to Welsh Consolidated Fund</b>		<b>8</b>	<b>16</b>
<b>Cash and cash equivalents at beginning of period</b>		<b>17</b>	<b>1</b>
<b>Cash and cash equivalents at end of period</b>		<b>25</b>	<b>17</b>

Notes 1 to 18 form part of these statements.

# Statement of Changes in Taxpayers' Equity

for the year ended 31 March 2025

General Fund	2024/25	2023/24
	£000	£000
Balance as at 1 April	(229)	(222)
Net operating costs	(6,089)	(5,736)
Funding by Welsh Parliament	6,236	5,746
Prior year cash not drawn down	(37)	-
<b>Due back to Welsh Consolidated Fund:</b>		
Cash	(25)	(17)
Non-operating income	-	-
<b>Total recognised income and expense for year</b>	<b>85</b>	<b>(7)</b>
<b>Balance as at 31 March</b>	<b>(144)</b>	<b>(229)</b>

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 2024/25. 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.

## 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. Standards Not Yet Effective

Standard	Effective date	Further details
IFRS 17 Insurance Contracts	1 April 2025	IFRS 17 replaces IFRS 4 Insurance Contracts. It establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts. IFRS 17 requires insurance contracts, including reinsurance contracts, to be recognised on the statement of financial position as the total of the fulfilment cashflows and the contractual service margin.
Non- investment asset valuations	2025-26	In December 2023 HM Treasury released an exposure draft on potential changes to make to valuing and accounting for non-investment assets (such as PPE, intangible assets). References to assets being held for their 'service potential' and the terms 'specialised and non-specialised' assets are being removed from the FReM.
Social Benefits	2025-26	The 2025/26 FReM will include new guidance on accounting for social benefits as current transfers received by households intended to provide for the needs that arise from certain events or circumstances, such as sickness, unemployment, retirement, housing, education or family circumstances.
IFRS 18 Presentation and Disclosure in Financial Statements	2027-28	IFRS 18 replaces IAS 1 Presentation of Financial Statements. The effective date is 1 January 2027 for the private sector and the public sector implementation date is not yet confirmed.



## 2. Staff Costs and Numbers

The aggregate employment costs were as follows:

	2024/25	2023/24
	£000	£000
Permanent staff:		
Salaries	3,352	3,168
Social Security costs	349	325
Pension costs	936	865
Pension fund charges	49	38
<b>Total</b>	<b>4,686</b>	<b>4,396</b>
Temporary staff:		
Salaries	92	43
Social Security costs	6	1
Pension costs	10	-
<b>Total</b>	<b>108</b>	<b>44</b>
<b>Total Staff Costs</b>	<b>4,794</b>	<b>4,440</b>

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

	2024/25	2023/24
	No.	No.
Directors	2	2
Communications and PA	3	3
Complaints and Investigations	51	50
Improvement Team	7	6
Support	8	8
<b>Total</b>	<b>71</b>	<b>69</b>

### 3. Non-Staff Administration Costs

	2024/25	2023/24
	£000	£000
Rent	35	28
External Audit fee	22	21
Legal and professional fees	259	180
Other property costs	140	212
IFRS 16 interest charge	48	4
Computer services	405	453
Office costs	89	94
Travel and Subsistence	19	16
Training and Recruitment	120	40
Communications	77	53
<b>Sub-total</b>	<b>1,214</b>	<b>1,101</b>
Depreciation	123	206
Amortisation charge	28	27
Loss on disposal	-	-
<b>Sub-total</b>	<b>151</b>	<b>233</b>
<b>Total Other Administration Costs</b>	<b>1,365</b>	<b>1,334</b>

### 4. Operating Income

	2024/25	2023/24
	£000	£000
Seconded staff	(69)	(37)
Other – Future Generations Commissioner payroll services	(1)	(1)
<b>Total</b>	<b>(70)</b>	<b>(38)</b>

## 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:

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

	2024/25		2023/24	
	£000	%	£000	%
<b>Strategic Aim 1:</b> Delivering justice with a positive impact for people and public services	4,440	72.9	4,295	74.9
<b>Strategic Aim 2:</b> Increasing accessibility and inclusion	263	4.3	233	4.1
<b>Strategic Aim 3:</b> Expanding our proactive improvement work	1,163	19.1	1,023	17.8
<b>Strategic Aim 4:</b> Ensuring that we are a healthy, efficient and accountable organisation	223	3.7	185	3.2
<b>Net Resources Out-turn</b>	<b>6,089</b>	<b>100.0</b>	<b>5,736</b>	<b>100.0</b>

The Aims analysis excludes capital expenditure.

## 6a. Property, Plant and Equipment

2024/25	Plant	Computers and other equipment	Furniture and other fittings	Total
	£000	£000	£000	£000
<b>Cost or valuation at 1 April</b>	<b>156</b>	<b>147</b>	<b>353</b>	<b>656</b>
Additions	-	-	-	-
Disposals	-	-	-	-
<b>At 31 March</b>	<b>156</b>	<b>147</b>	<b>353</b>	<b>656</b>
<b>Depreciation as at 1 April</b>	<b>(156)</b>	<b>(115)</b>	<b>(308)</b>	<b>(579)</b>
Charged in the year	-	(15)	(19)	(34)
Disposals	-	-	-	-
<b>At 31 March</b>	<b>(156)</b>	<b>(130)</b>	<b>(327)</b>	<b>(613)</b>
<b>Carrying amount as at 31 March 2025</b>	<b>-</b>	<b>17</b>	<b>26</b>	<b>43</b>
Carrying amount as at 31 March 2024	-	32	45	77

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

## 6b. Intangible Assets

2024/25	Information Technology	Software Licences	Total
	£000	£000	£000
<b>Cost or valuation at 1 April</b>	<b>518</b>	<b>52</b>	<b>570</b>
Additions	-	-	-
Disposals	-	-	-
<b>At 31 March</b>	<b>518</b>	<b>52</b>	<b>570</b>
<b>Amortisation as at 1 April</b>	<b>(452)</b>	<b>(52)</b>	<b>(504)</b>
Amortisation charged in the year	(28)	-	(28)
Disposals	-	-	-
<b>At 31 March</b>	<b>(480)</b>	<b>(52)</b>	<b>(532)</b>
<b>Carrying Value as at 31 March 2025</b>	<b>38</b>	<b>-</b>	<b>38</b>
Carrying Value as at 31 March 2024	66	-	66

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

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

2024/25	IFRS 16 right of use asset	Total
	£000	£000
<b>Cost or valuation at 1 April</b>	<b>571</b>	<b>571</b>
Additions	1,013	1,013
Disposals	(571)	(571)
<b>At 31 March</b>	<b>1,013</b>	<b>1,013</b>
<b>Depreciation as at 1 April</b>	<b>(340)</b>	<b>(340)</b>
Charged in the year	(89)	(89)
Disposals	340	340
<b>At 31 March</b>	<b>(89)</b>	<b>(89)</b>
<b>Carrying amount as at 31 March 2025</b>	<b>924</b>	<b>924</b>
Carrying amount as at 31 March 2024	231	231

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

## 7. Trade and other Receivables

	As at 31 March 2025	As at 31 March 2024
	£000	£000
<b>Amounts falling due within 1 year</b>		
Prepayments	304	288
Cash not drawn down	-	37
Trade debtors	-	-
<b>Amounts falling due after more than 1 year</b>		
Prepayments	-	-
<b>Total</b>	<b>304</b>	<b>325</b>



## 8. Cash and Cash Equivalents

Any bank balance held at the year-end must be returned to the Welsh Consolidated Fund. A figure of £25k (£17k in 2023/24) 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

	As at 31 March 2025	As at 31 March 2024
	£000	£000
<b>Amounts falling due in 1 year</b>		
Untaken annual leave	130	132
Deferred rent reduction	-	5
Welsh Consolidated Fund - unspent balances	25	17
Trade payables	5	6
IFRS 16 creditor	930	250
Accruals	39	36
	<b>1,129</b>	<b>446</b>
<b>Amounts falling due in more than 1 year</b>		
Deferred rent reduction	-	1
<b>Total</b>	<b>1,129</b>	<b>447</b>

## 10. Provisions for Liabilities and Charges

	2024/25				2023/24
	Pensions for Former Commissioners	Dilapidation Costs	Other Costs	Total	Total
	£000	£000	£000	£000	£000
Balance at 1 April	175	323	-	498	510
Additional provision required	49	-	-	49	41
Discount rate movement	-	-	-	-	(3)
Provisions utilised in the year	(54)	(144)	-	(198)	(50)
<b>Balance at 31 March</b>	<b>170</b>	<b>179</b>	<b>-</b>	<b>349</b>	<b>498</b>

Analysis of expected timings of payment of provisions:

	As at 31 March 2025	As at 31 March 2024
	£000	£000
Payable within 1 year	54	49
Payable within 2 to 5 years	116	449
Payable in more than 5 years	179	-
<b>Balance at 31 March 2025</b>	<b>349</b>	<b>498</b>

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 2.40% for the financial year (2.45% in 2023/24) in line with the guidance issued by the Treasury. Two surviving spouses of former Commissioners remain as a pension liability.

We will commission an independent review of our dilapidations provision during 2025/26.

## 11. Reconciliation of Operating Cost to Operating Cash Flows

	Notes	2024/25 £000	2023/24 £000
<b>Net operating cost</b>		<b>(6,089)</b>	<b>(5,736)</b>
Adjust for non-cash items	3/6c	(631)	233
Decrease/ (Increase) in trade and other receivables	7	21	(45)
Increase/ (Decrease) in trade and other payables	9	682	(153)
Movement in provisions	10	(149)	(12)
Movement in cash repaid to Welsh Consolidated Fund	8	(8)	(16)
<b>Net cash outflow from operating activities</b>		<b>(6,174)</b>	<b>(5,729)</b>

## 12. Non-Current Asset Expenditure and Financial Investment

	2024/25 £000	2023/24 £000
Purchases of property, plant and equipment	-	-
Proceeds of disposals of property, plant and equipment	-	-
Purchases of intangible assets	-	-
<b>Net cash outflow from investing activities</b>	<b>-</b>	<b>-</b>

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

	2024/25	2023/24
	£000	£000
Net Cash Requirement:		
Operating activities	(6,174)	(5,729)
Capital Expenditure	-	-
	<b>(6,174)</b>	<b>(5,729)</b>
Financing from Welsh Parliament	6,236	5,746
Prior year cash balance repaid	(17)	(1)
Prior year cash not drawn down	(37)	-
<b>Increase/(Decrease) in cash and cash equivalents</b>	<b>8</b>	<b>16</b>

### 14. Commitments under Operating Leases

	As at 31 March 2025	As at 31 March 2024
	£000	£000
Total future minimum lease payments on building:		
Payable within 1 year	136	220
Within 2 and 5 years	556	84
More than 5 years	745	-
	<b>1,437</b>	<b>304</b>
Other:		
Payable within 1 year	-	-
Within 2 and 5 years	-	-
More than 5 years	-	-
	-	-
<b>Total of all operating leases</b>	<b>1,437</b>	<b>304</b>

## 15. Contingent Liabilities

None.

## 16. Capital Commitments

There were no capital commitments at 31 March 2025 (2023/24 = 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

None.

# Pension Disclosures

One pension scheme was operated on behalf of current staff during 2024/25 – 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](http://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 2025 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 2024/25 was 1.7%.

The total payments during 2024/25 were £53k (£50k in 2023/24). The liabilities arising out of the obligation to finance these pensions together with any dependant pensions has been calculated to be £170k (£175k in 2023/24). 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 (2024), of 2.40% (2.45% in 2023/24) has been applied in accordance with the Treasury guidance that all pension liabilities should be discounted.

# Appendices

# Independent review: recommendations and learning points

Below, we include the details of all the recommendations and learning points raised by the Independent Review of our Code of Conduct work and the Senedd's Finance Committee report. We also include the details of the actions we have taken in response:

Recommendation	Update	Completion date
<p><b>Documenting the political affiliation of the Accused Member</b></p> <p>In order to mitigate the risk of unconscious bias on the part of the Investigation Officer and to underpin the fairness of the complaint assessment process, it is recommended that steps are taken to ensure that the political affiliation of the Accused Member is not recorded on the Pre-assessment and Assessment Form ('PAAF'). The process manual will need to be amended accordingly, with updated instructions for the Intake Team.</p>	<p><b>Completed</b></p> <p>Process amended and PSOW staff updated.</p>	<p>26 September 2024</p>
<p><b>Accused Member not informed of complaint until after assessment</b></p> <p>In the interests of fairness and transparency, it is recommended that the PSOW considers reverting to the previous practice of notifying the Accused Member of the complaint once it is received. This would also protect the PSOW from criticism in that regard, which might arise from circumstances in which the Accused Member is unsighted of the complaint and learns of its existence via a third party or the media. If the PSOW decides to revert to the previous practice, the process manual will need to be amended accordingly.</p>	<p><b>Completed.</b></p> <p>Consultation exercise and benchmarking of other organisations undertaken.</p> <p>The PSOW decided to revert to its previous practice of notifying the Accused member of the complaint once it is received.</p>	<p>19 February 2025</p>

<p><b>Investigation Officer decisions not to investigate</b></p> <p>Notwithstanding the applicable provisions in the process manual and in the Decision Review Process, it is recommended that an additional review/ check mechanism is put place for the purpose of quality assuring the Investigation Officer decisions in this regard, particularly around the public interest test, and as a further safeguard against the potential for unconscious bias on the part of the Investigation Officer. This recommendation is supported by findings from the staff interviews. Given the volume of complaints, however, the proposed measure needs to be proportionate and it is suggested that this could be achieved by way of occasional random sampling of Investigation Officer decisions.</p>	<p><b>Completed</b></p> <p>Dr Melissa McCullough has been appointed to sample 5% of Code assessment decisions taken by Investigation Officers on an annual basis, for the purpose of quality assuring decisions, for a period of 3 years.</p>	<p>28 January 2025</p>
<p><b>Code Team Manager's delegated authority to overrule Investigation Officer proposals to investigate and Investigation Officer proposals to extend the investigation or commence a new investigation against another member.</b></p> <p>Notwithstanding the applicable provision in the Decision Review Process, it is recommended that an additional review/ check mechanism is introduced in respect of these delegated decisions, in order to mitigate the risk of unconscious bias on the part of the Code Team Manager when deciding not to agree Investigation Officer proposals. It is suggested that this measure could also be achieved by way of random sampling of Code Team Manager decisions. Also, the Scheme of Delegation should be updated to include these Code Team Manager decision-making powers.</p>	<p><b>Completed</b></p> <p>Dr Melissa McCullough has been appointed to sample 5% sample of Code assessment decisions where the Code Team Manager has overruled Investigation Officer proposals to investigate, on an annual basis for the purpose of quality assuring decisions, for a period of 3 years.</p> <p>Scheme of delegation updated.</p>	<p>28 January 2025</p>

<p><b>Opportunity for the Accused Member to provide comment</b></p> <p>The review recognises that, as part of the combined PSOW and Adjudication Panel for Wales/standards committee process, the Accused Member has a number of opportunities to comment on the facts of the case. The review therefore found the process to be demonstrably fair. That said, the PSOW may wish to consider whether there are any additional points in the process in which there would be a benefit in providing the Accused Member with the opportunity to comment further on relevant facts, particularly in advance of reaching draft conclusions/findings on whether the evidence is suggestive of a breach.</p>	<p><b>Completed.</b></p> <p>As PSOW's process is demonstrably fair and aligns with other similar regulatory processes, PSOW decided not to add any additional points in the process. However, we have reviewed and updated our communication with members to ensure that we clearly inform them that they may comment on the facts of the case on the three available occasions in the process.</p>	<p>19 February 2025</p>
<p><b>Public interest factors and considerations</b></p> <p>The review recognises the factors and considerations listed are non-exhaustive, but recommends that PSOW gives consideration to developing more detailed internal guidance on assessing the public interest test. Additionally, the public interest factors and considerations should be reviewed regularly.</p>	<p><b>Completed.</b></p> <p>Detailed internal guidance for staff on assessing the public interest has been developed with staff and introduced.</p>	<p>19 February 2025</p>
<p><b>Clarificatory amendments I</b></p> <p>The process manual is amended to address the apparent contradiction in terminology whereby "direct evidence that a breach of the Code took place" is a requirement for a complaint to pass assessment stage (paragraphs 5.4 and 5.5) whereas an investigation can be concluded based on the finding that there is "no evidence of a breach of the Code" (paragraph 13.1(a))</p>	<p><b>Completed.</b></p> <p>Complaints process amended.</p>	<p>29 November 2024</p>

<b>Clarificatory amendments II</b>  The process manual is amended to reflect the existing practice that, when the Lead Review Officer upholds a complaint review request, the reassessment/ reconsideration is undertaken by a different Investigation Officer to the Investigation Officer who undertook the original assessment/investigation	<b>Completed.</b>  Complaints process amended.	29 November 2024
<b>Clarificatory amendments III</b>  The Scheme of Delegation is updated in light of the retitling of the Lead Review Officer post to make clear that the Lead Review Officer has delegated authority in respect of decisions on whether to uphold a review request that the complaint should be reassessed/ reconsidered.	<b>Completed.</b>  Scheme of delegation updated.	29 November 2024

Lesson learned	Update	Completion date
<b>1:</b> Whether the PSOW's Staff Code of Conduct, policies and practices relating to social media usage could be more comprehensive in relation to setting out the circumstances in which social media activity by an employee amounts to misconduct, both in their work and private lives, with consideration of current case law in relation to freedom of expression (Article 10) and other relevant precedent cases.	<b>Completed.</b>  Revised policies approved following consultation.  Training provided for all staff on the revised policies.	31 March 2025
<b>2:</b> Whether steps need to be taken to ensure clear information is provided as part of any PSOW recruitment processes to ensure candidates are made aware of any necessary curtailment of PSOW employees' right to freedom of expression, including activity on social media.	<b>Completed.</b>  Recruitment information updated.	28 October 2024

<p><b>3:</b> Whether bias/unconscious bias assessments should be a mandatory part of the recruitment process.</p>	<p><b>Completed.</b></p> <p>Agreed to continue external Critical thinking assessments for prospective caseworkers. This assesses the ability of candidates to distinguish between fact and opinion and their ability to make decisions based on evidence.</p> <p>Also decided to trial a personality and values based recruitment test.</p>	<p>31 March 2025</p>
<p><b>4:</b> Whether mandatory refresher training on unconscious bias and on social media usage should be implemented on an annual basis.</p>	<p><b>Completed.</b></p> <p>Unconscious bias training arranged for all staff and completed.</p> <p>Social media and unconscious training included in annual training plan.</p>	<p>30 September 2025</p>
<p><b>5:</b> Whether, should similar exceptional circumstances arise, the PSOW requires any further policies or processes to be in place to support its staff.</p>	<p><b>Completed.</b></p> <p>Staff suggestions considered and agreed.</p>	<p>12 March 2025</p>
<p><b>6:</b> Whether, due to the particular challenges arising from investigating the conduct of elected members, appropriate training is in place for applicable PSOW staff in relation to resilience in managing the pressures and vulnerabilities which come with this role.</p>	<p><b>Completed.</b></p> <p>Existing training reviewed and resilience training arranged for staff.</p> <p>Stress risk assessment lunch and learn sessions offered to all staff.</p>	<p>12 March 2025</p>



Recommendation	Update	Completion date
<b>FC1:</b> The Committee recommends the Ombudsman provides a formal response to our report and recommendations as well as regular updates, including updates in its Annual Reports, to the Committee on progress thereafter in implementing the recommendations and lessons learned identified in the Independent Review.	Response sent to the Committee on 24 January 2024.  Further update sent in April 2025 and to be included in 2024/25 Annual Report.	24 January 2025
<b>FC2:</b> The Committee recommends the Ombudsman considers introducing a new key performance indicator based on a sample of decisions made by Investigating Officers and Code Team Managers undergoing additional checks.	<b>Completed.</b>  New KPIs introduced from 1 April 2025.	31 March 2025
<b>FC3:</b> The Committee recommends that the Ombudsman provides an update as to whether any follow-up work would be conducted following the Independent Review, including any associated financial and resource implications.	<b>Completed.</b>  Dr McCullough engaged to undertake follow up work by the end of Q1 to provide external assurance that the Recommendations and Lessons Learned have been delivered and addressed.	24 January 2025
<b>FC4:</b> The Committee recommends that the Ombudsman provides updates to the Committee on how it is monitoring staff compliance in respect of its social media policy.	We have reviewed and strengthened our internal policies on social media use;  provided staff briefings to explain the requirements and expectations and give guidance to staff on how to comply; introduced annual reminder briefings to staff.  We have also reviewed our recruitment processes, made it clear at application stage that PSOW staff are subject to restrictions on their political activity and are required to comply with our policy on social media use and introduced pre-employment checks of social media accounts, to identify any concerns or issues.	24 January 2025

# Some terms that we use in this report

**Case:** any matter raised with us by a member of the public

**Caseload:** all cases that we handle.

**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.

**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.

**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.

**Duly made complaint (public services):** We can only consider a complaint about public services if it is submitted to us in line with [our statutory guidance](#).

**Duly made complaint (Code of Conduct):** To consider a complaint about Code of Conduct, we need:

- complainant name and contact details
- name and authority of member complained about
- details of the allegation against the member.
- a signed declaration from the complainant and any third parties whose evidence has been submitted, located at the end of our Code of Conduct complaint form.

The complaint will be duly made even if evidence is not provided, but we will not be able to investigate it.

**Outcome:** our decision after we have considered a complaint.

**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.

**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.

# 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.

We developed our KPIs in 2023 and we intend to retain them for the life of our current Strategic Plan. However, we agree targets for each KPI annually. We do this by analysing our past performance, and taking into account any challenges that may affect our ability to meet our commitments in the future. Generally, we will always seek to maintain or exceed our targets from the previous year. If we decide that we need to lower our targets, we will explain this decision below.

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

<b>Strategic Aim 1: Delivering justice with a positive impact for people and public services.</b>	<b>Target 2024-25</b>	<b>Actual 2024-25</b>	<b>Target 2023-24</b>	<b>Actual 2023-24</b>
Average case closure time: Assessment (weeks)	≤6	4	≤6	4
Average case closure time: Investigation (weeks)	≤55	53	≤55	64
Proportion of complaint reviews in which we find that our original decision was appropriate	≥95%	94%	≥95%	92%
Proportion of decisions made by Investigation Officers and the Code Team Manager undergoing additional checks	5%	5%	-	-
Proportion of sample checks where decision of Investigation Officers and the Code Team Manager are confirmed as appropriate	100%	100%	-	-
Proportion of Service Quality reviews satisfactory or better	≥80%	84%	≥75%	67%
Proportion of recommendations due during the year complied with in line with set target cases closed within 12 months	≥75%	56%	≥55%	67%
Proportion of people satisfied with our service				
All respondents	≥52%	42%	≥50%	40%
Respondents satisfied with the outcome	≥95%	95%	≥95%	98%
Respondents not satisfied with the outcome	-	17%	-	21%

Strategic Aim 2: Increasing accessibility and inclusion.	Target 2024-25	Actual 2024-25	Target 2023-24	Actual 2023-24
Level of awareness of our service	-	48%	≥45%	49%
Complainant assessment of our accessibility ('easy to get in touch')				
All respondents	≥90%	86%	≥90%	83%
Respondents satisfied with the outcome	≥95%	95%	≥95%	95%
Respondents not satisfied with the outcome	-	81%	-	79%
Representation of target groups among our complainants (number of 6 target groups well-represented)	≥2	1	≥1	1
Proportion of our complaints that are in our jurisdiction and not premature	≥65%	60%	≥65%	59%

<b>Strategic Aim 3: Increasing the impact of our proactive improvement work.</b>	<b>Target 2024-25</b>	<b>Actual 2024-25</b>	<b>Target 2023-24</b>	<b>Actual 2023-24</b>
Proportion of complaints handled by public bodies and then escalated to us: Health Boards	≤5%	5%	≤5%	5.5%
Proportion of complaints handled by public bodies and then escalated to us: Local Authorities	≤7%	6%	≤7%	7.1%
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	n/a	n/a	100%
Proportion of Code of Conduct breaches that we referred upheld by Standards Committees or Adjudication Panel for Wales	≥85%	85%	≥90%*	85%

\* We missed this ambitious target and set slightly more realistic expectations for 2024/25.

Strategic Aim 4 - Ensuring that we are a healthy, efficient and accountable organisation.	Target 2024-25	Actual 2024-25	Target 2023-24	Actual 2023-24
Sickness absence levels (average number of days)	≤6.0	5.78	≤5.0	7.7
Proportion of staff who agree that PSOW is a good place to work	≤80%*	91%	≤87%*	75%
Level of variance on expenditure from that set out in our Estimate for the current year (less than)	≤3%	0.40%	≤3%	0.50%
Proper management of our budget	Unqualified accounts and substantial assurance	Unqualified accounts and substantial assurance	Unqualified accounts and substantial assurance	Unqualified accounts and substantial assurance
Average cost per case for total casework closure	≤£500	£459	≤£500	£432
Average cost per complaint for total complaints closure	≤£1,350	£1,274	≤£1,350	£1,289
Our carbon footprint (kg CO <sub>2</sub> e produced)	≤60,000g CO <sub>2</sub> e	58,514 kg CO <sub>2</sub> e	≤60,000g CO <sub>2</sub> e	62,630kg CO <sub>2</sub> e

\* We reflected on this target in light of 2023/24 survey results.



# Our complaints

## Public services - new complaints

Health board	2024-25	Received per 1000 residents	2023-24	Received per 1000 residents
Aneurin Bevan University Health Board	178	0.30	175	0.30
Betsi Cadwaladr University Health Board	236	0.34	214	0.31
Cardiff and Vale University Health Board	149	0.29	150	0.30
Cwm Taf Morgannwg University Health Board	102	0.23	109	0.25
Hywel Dda University Health Board	130	0.33	138	0.36
Powys Teaching Health Board	20	0.15	21	0.16
Swansea Bay University Health Board	134	0.34	132	0.34
<b>All health boards</b>	<b>949</b>	<b>0.28</b>	<b>939</b>	<b>0.30</b>

Local council	2024-25	Received per 1000 residents	2023-24	Received per 1000 residents
Blaenau Gwent County Borough Council	14	0.21	15	0.22
Bridgend County Borough Council	58	0.40	59	0.40
Caerphilly County Borough Council	78	0.44	56	0.32
Cardiff Council (Incl Rent Smart Wales)	219	0.60	149	0.40
Carmarthenshire County Council	86	0.45	69	0.36
Ceredigion County Council	47	0.64	32	0.45
Conwy County Borough Council	29	0.25	36	0.31
Cyngor Gwynedd	46	0.39	38	0.32
Denbighshire County Council	98	1.01	31	0.32
Flintshire County Council	61	0.39	51	0.33
Isle of Anglesey County Council	22	0.32	38	0.55
Merthyr Tydfil County Borough Council	17	0.29	12	0.20
Monmouthshire County Council	19	0.20	29	0.31
Neath Port Talbot Council	48	0.34	35	0.25
Newport City Council	61	0.37	52	0.32
Pembrokeshire County Council	47	0.38	40	0.32

Powys County Council	55	0.41	54	0.40
Rhondda Cynon Taf County Borough Council (Incl South Wales Parking Group)	62	0.26	64	0.27
Swansea Council	113	0.46	82	0.34
Torfaen County Borough Council	20	0.21	15	0.16
Vale of Glamorgan Council	61	0.45	77	0.58
Wrexham County Borough Council	76	0.56	76	0.56
<b>All local councils</b>	<b>1337</b>	<b>0.41</b>	<b>1110</b>	<b>0.35</b>

Housing association	2024-25	2023-24
Adra	18	14
Aelwyd Housing Association Ltd	3	3
Ateb Group Ltd	4	1
Barcud	5	8
Bro Myrddin Housing Association	0	2
Bron Afon Community Housing Ltd	24	23
Cadwyn Housing Association Ltd	3	2
Cardiff Community Housing Association	13	4
Caredig	10	5
Cartrefi Conwy	7	10
Charter Housing Association (part of the Pobl Group)	1	8
Clwyd Alyn Housing Association	14	13
Coastal Housing Group Ltd	9	8
Cynon Taf Community Housing Group	2	2
Grwp Cynefin	10	7
Hafod Housing Association	46	55
Linc Cymru Housing Association	18	17
Melin Homes Ltd	4	6
Merthyr Tydfil Housing Association Ltd	4	6
Merthyr Valleys Homes	10	7
Monmouthshire Housing Association	3	1

Newport City Homes	25	16
Newydd Housing Association	14	13
Pobl	35	43
Rhondda Housing Association Ltd	2	0
Stori Wales	0	2
Taff Housing Association	5	4
Tai Calon Community Housing	13	10
Tai Tarian	12	10
Trivallis	27	26
Ty Gwalia (part of Pobl Group)	0	2
United Welsh Housing Association	16	12
Valleys To Coast Housing	38	24
Wales & West Housing Association	16	16
<b>All housing associations</b>	<b>411</b>	<b>380</b>

## Public services - closed complaints

Health board	2024-25			2023-24		
	No. of interventions	No. of closures	Intervention rate	No. of interventions	No. of closures	Intervention rate
Aneurin Bevan University Health Board	50	176	28%	73	195	37%
Betsi Cadwaladr University Health Board	64	227	28%	81	256	32%
Cardiff and Vale University Health Board	27	154	18%	34	158	22%
Cwm Taf Morgannwg University Health Board	36	104	35%	39	129	30%
Hywel Dda University Health Board	43	131	33%	55	154	36%
Powys Teaching Health Board	6	25	24%	3	21	14%
Swansea Bay University Health Board	33	136	24%	41	141	29%
<b>All health boards</b>	<b>259</b>	<b>953</b>	<b>27%</b>	<b>326</b>	<b>1054</b>	<b>31%</b>

Local council	2024-25			2023-24		
	No. of Interventions	No. of closures	Intervention rate	No. of Interventions	No. of closures	Intervention rate
Blaenau Gwent County Borough Council	0	12	0%	1	16	6%
Bridgend County Borough Council	6	57	11%	8	59	14%
Caerphilly County Borough Council	11	79	14%	3	48	6%
Cardiff Council (Incl Rent Smart Wales)	37	190	19%	28	147	19%
Carmarthenshire County Council	11	86	13%	8	60	13%
Ceredigion County Council	11	45	24%	7	32	22%
Conwy County Borough Council	5	29	17%	0	37	0%
Cyngor Gwynedd	3	44	7%	6	39	15%
Denbighshire County Council	6	98	6%	2	33	6%
Flintshire County Council	7	61	11%	8	57	14%
Isle of Anglesey County Council	1	20	5%	10	41	24%
Merthyr Tydfil County Borough Council	1	15	7%	3	14	21%
Monmouthshire County Council	1	16	6%	3	32	9%
Neath Port Talbot Council	5	45	11%	5	34	15%

Newport City Council	6	62	10%	5	51	10%
Pembrokeshire County Council	8	47	17%	7	38	18%
Powys County Council	8	51	16%	7	53	13%
Rhondda Cynon Taf County Borough Council (Incl South Wales Parking Group)	6	60	10%	11	63	17%
Swansea Council	12	109	11%	12	77	16%
Torfaen County Borough Council	0	18	0%	2	14	14%
Vale of Glamorgan Council	12	63	19%	15	71	21%
Wrexham County Borough Council	7	72	10%	7	79	9%
<b>All local councils</b>	<b>164</b>	<b>1279</b>	<b>13%</b>	<b>158</b>	<b>1095</b>	<b>14%</b>



Housing association	2024-25			2023-24		
	No. of interventions	No. of closures	Intervention rate	No. of interventions	No. of closures	Intervention rate
Adra	2	18	11%	0	13	0%
Aelwyd Housing Association Ltd	0	3	0%	0	3	0%
Ateb Group Ltd	1	4	25%	0	1	0%
Barcud	1	4	25%	0	8	0%
Bro Myrddin Housing Association	0	0	0%	1	2	50%
Bron Afon Community Housing Ltd	4	25	16%	1	20	5%
Cadwyn Housing Association Ltd	0	3	0%	0	2	0%
Cardiff Community Housing Association	0	13	0%	1	3	33%
Caredig	0	10	0%	0	4	0%
Cartrefi Conwy	0	7	0%	1	10	10%
Charter Housing Association (Part of the Pobl Group)	0	1	0%	2	9	22%
Clwyd Alyn Housing Association	2	11	18%	1	14	7%
Coastal Housing Group Ltd	2	12	17%	0	5	0%
Cynon Taf Community Housing Group	0	2	0%	0	2	0%
Grwp Cynefin	3	10	30%	0	8	0%
Hafod Housing Association	17	45	38%	8	57	14%
Linc Cymru Housing Association	3	15	20%	3	17	18%
Melin Homes Ltd	0	4	0%	0	4	0%

Merthyr Tydfil Housing Association Ltd	0	5	0%	0	5	0%
Merthyr Valleys Homes	0	7	0%	0	7	0%
Monmouthshire Housing Association	0	3	0%	0	1	0%
Newport City Homes	4	22	18%	1	18	6%
Newydd Housing Association	2	16	13%	1	9	11%
North Wales Housing	0	1	0%	0	0	0%
Pobl	5	36	14%	4	42	10%
Rhondda Housing Association Ltd	2	2	100%	0	1	0%
Stori Wales (formerly Hafan Cymru)	0	0	0%	0	2	0%
Taff Housing Association	2	6	33%	1	4	25%
Tai Calon Community Housing	1	12	8%	2	10	20%
Tai Tarian	0	13	0%	2	9	22%
Trivallis	5	22	23%	2	26	8%
Ty Gwalia (Part Of Pobl Group)	0	0	0%	0	2	0%
United Welsh Housing Association	3	14	21%	1	13	8%
Valleys To Coast Housing	8	36	22%	3	23	13%
Wales & West Housing Association	1	16	6%	1	15	7%
<b>All housing associations</b>	<b>68</b>	<b>398</b>	<b>17%</b>	<b>36</b>	<b>369</b>	<b>10%</b>

## Code of Conduct – new complaints

Organisation	2024-25	2023-24
Town and Community Councils	188	176
County and County Borough Councils	126	151
National Parks	1	1
Fire Authorities	0	0
Police and Crime Commissioners and Panels	0	0
<b>Total</b>	<b>315</b>	<b>328</b>

Subjects	2024-25	2023-24
Accountability and openness	6%	3%
Disclosure and registration of interests	17%	13%
Duty to uphold the law	10%	8%
Integrity	7%	6%
Objectivity and propriety	3%	10%
Promotion of equality and respect	56%	55%
Selflessness and stewardship	3%	5%





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## Public Services Ombudsman for Wales

### Estimate 2026/27

## 1. Introduction

- 1.1 This Estimate submission for 2026/27 has been prepared for consideration by the Senedd Finance Committee. The office's [Annual Report & Accounts for 2024/25](#) provide details of activities and achievements in that year. Our new Strategic Plan for 2026 to 2029 is being prepared and will be published for consultation later in the year. It is intended that the Plan is finalised and approved in early 2026.

## 2. Executive Summary

- 2.1 In 2024/25, we saw an increase in the number of complaints received about public services. Since 2019/20, the volume of new complaints reaching our office has increased, by 43%. This increase in caseload, and the pressure that this places on the wellbeing of our staff, is hugely challenging. To manage this increase, we have intervened early in more cases, avoiding the need for lengthy investigations, while also reducing the time it takes us to complete investigations. We are also continuing to experience increased case numbers in the current year.
- 2.2 This Estimate has been prepared within the context of the increase in complaints and enquiries, and our residual red risk (as shown in our Annual Report & Accounts): that we have reached capacity, in terms of the level of cases we are able to positively intervene in each year. The Estimate reflects the resources needed to support the delivery of the Strategic Aims, which will be set out in our new Strategic Plan, whilst also being mindful of the challenges continuing to face public sector finances.
- 2.3 Our submission considers 2026/27 as a 'step-change' year, with a request for more substantial investment that will provide vital, additional resources to help us deal with both the current workload, and to future-proof the organisation against the future workload challenges our data shows we can expect to deal with.
- 2.4 In Summary, the Estimate includes:
- 3% forecast pay award for April 2026 (£157k).
  - £237k investment in additional staffing resources, to bring us back up to optimal capacity, to better reflect the caseloads we are dealing with, and to provide greater resilience and capacity.
  - £70k investment to meet the additional costs of key IT procurements due in 2026/27 (£42k) and to fund our initial work on using AI to further improve efficiency in our casework (£28k).
  - Reflects cash-saving efficiencies of £87k, from savings on professional advice which will be used to meet the some of the costs of additional staffing.
  - Reflects a cash-saving of £29k, as pension payments to spouses of former Local Government Commissioners will be lower in 2026/27.

- Reflects cash-saving efficiencies of £42k, from savings on previous IT procurements, which will be used to offset the procurement cost increases in 2026/27.
- 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 submission.

2.5 **In summary, the Cash and Resource requirements are £6,787k and £6,820k respectively. This is an overall cash increase of £345k, or 5.4%, as a result of efficiencies being used to offset some significant cost pressures. 3.0% of this increase arises from externally generated pay and price pressures, which if approved would represent a ‘business as usual’ and stand still budget increase. The remaining 2.4% requested covers the growth needed to cope with increases in demand, and investment to make our service more efficient.**

2.6 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 only and are therefore entirely dependent on funding from the Welsh budget, following the recommendations of the Senedd Finance Committee. Our budget includes no contingency, and we hold no reserves.

2.7 In addition to the cash-releasing savings above, 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. However as discussed with the Committee last year, we have now reached capacity in terms of the level of cases we are able to positively intervene in each year.

2.8 The proposed budget ambit is shown in Appendix A.

### 3. 2025/26 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 Our new Strategic Plan for 2026 to 2029 is being prepared and will be published for consultation later in the year. It is intended that the Plan is finalised and approved in early 2026.

- 3.3 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.
- 3.4 During 2024/25, we received 9,757 new cases overall; a 43% increase compared to 2019/20. Of this number, 3,547 of these cases were duly made complaints. This was 10% more than in 2023/24 and the highest number of complaints we have ever received in a single year. Performance is set out in detail in the Annual Report and Accounts 2024/25.
- 3.5 We need to be mindful of the impact of growing numbers of complaints on staff health and wellbeing. Our inability to positively intervene in more cases is demoralising for staff who have to decline to take forward a larger proportion of cases and continue to handle the pressure of our increasing caseload.
- 3.6 We also need to be aware of the impact on service users. We already ensure that we investigate only serious complaints, but continued increases in complaints may mean we would have to increase further the threshold for positive intervention. This would mean that only very serious cases would be investigated. As the Committee will be aware, everyone who makes a complaint considers it to be serious and if our Estimate is not approved, we would have more disappointed and dissatisfied complainants and service users.
- 3.7 In the current year, the 2025/26 local government pay award has been settled. In July 2025, it was announced that all staff would receive a pay award of 3.2% (backdated to April 2025). Our Estimate submission last year included a provision for a 3% pay award. Despite the actual settlement being slightly higher than we had allowed for, we will accommodate the additional pay costs in existing budgets.
- 3.8 We were grateful that the Finance Committee supported our 1<sup>st</sup> Supplementary Budget submission which sought additional resources to cover the increase in employer National Insurance contributions from April 2025. We will respond to the recommendation made in the Committee's scrutiny report of the Welsh Government's 1<sup>st</sup> Supplementary Budget in early 2026, as requested.
- 3.9 The additional resources provided in our 2024/25 budget, for one caseworker and a data analyst, have been put to good use. The additional caseworker post has helped to manage ongoing increases in casework through our innovative new Graduate Investigation Officer scheme. Our Lead Data Officer has been in post for one year. In that time, we have developed our first Data Strategy, as we believe that our decisions should be data-driven and we are committed to making that happen. The way that Welsh public sector organisations are reporting on their data is changing, and we want to be at the forefront of this. We have already made improvements in how we are analysing trends, forecasting future caseloads and in the internal presentation of our data.



- 3.10 We were also pleased to see a significant increase in our staff survey results, with 91% of staff saying that this is a great place to work, in comparison with 74% last year. In addition, 93% of staff said they were proud to work for PSOW, compared to 83% last year.
- 3.11 Another significant development in the current year has been the formation of our first Medium Term Financial Plan (MTFP). The MTFP looks ahead to the pay and price pressures facing PSOW over the next 3 years, together with the pressures of increasing demand for our services. The plan seeks to identify the resources likely to be needed to allow services to be delivered to an acceptable standard and to allow our strategic objectives to be met.
- 3.12 The MTFP explains how we can achieve our long-term aims, by focusing on continuous service improvement, and it will assist us in meeting one of the Finance Committee's Statement of Principles – Statement 4 (which expects directly funded bodies to “show how annual and multi-annual objectives will be prioritised, monitored and achieved”).
- 3.13 As the Committee will recall, cyber security remains a significant and constant risk in our risk register. In the last year, we have procured 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 if an incident occurs.
- 3.14 The Committee, in last year's scrutiny report, made a recommendation that we give consideration to how Artificial Intelligence (AI) can help support us to manage our increasing workload. We plan to use AI in a secure and ethical way, that will ensure AI does not replace human decision making by our professional Investigation Officers and Managers. Currently two AI initiatives are planned. The first is a MS Co-Pilot pilot project, involving our IT, Information Governance, Executive Support and Assessment Teams. Additional resources are being sought to purchase licences for staff. The purpose of this pilot is to assess improvements in staff personal productivity through the use of MS Co-Pilot, before considering a wider deployment to other teams.
- 3.15 The second initiative is to assist our main casework supplier (CAS) with the development of AI capabilities within our case management system. This is at no initial cost to PSOW. We are also reviewing automated redaction products, to supplement our current manual redaction product, Adobe. Other opportunities to look at the intelligent automation of our front and back office business processes will be considered in 2026/27.

## 4. Casework Pressures

- 4.1 Our caseload remains very high, compared with pre-COVID levels (43% up since 2019/20). We continue to work at full capacity on our casework and continue to experience increased case numbers when we are already under significant pressure. Overall, we intervened in 18% of the public service complaints that we closed last year, which was lower than during 2023/24 (20%). As outlined above in paragraph 2.2, we are working at full capacity and as cases continue to rise year on year, the level of cases we are able to positively intervene in each year is declining. We are concerned about the negative impact this has on a large proportion of our service users, when we decline to positively intervene in their cases. In relation to Code of Conduct cases, we referred 15 Code of Conduct cases to either the relevant Standards Committee or the Adjudication Panel for Wales last year.
- 4.2 Public Service Complaints - in order to manage our casework, we are continuing to apply our proportionality test and only positively intervene in serious cases and when we see opportunities to address potentially systemic failings to improve public services. Despite the volume pressures, we successfully adjusted our approach last year to take forward more non-health related complaints with a particular focus on housing disrepair/damp & mould complaints - ensuring that we use our limited casework resources in a balanced way, across all public services. Whilst we also reduced aged public service complaints investigations to less than 10% of our open investigations, the increase in cases has led to significant pressures at the assessment stage of our process.
- 4.3 Code of Conduct complaints - we have seen an ongoing high volume of cases. Whilst a significant proportion are not taken forward for investigation, we have continued to see approximately 15- 20% of cases meeting our two-stage test<sup>1</sup> for investigation – we impartially and fairly apply this test on the evidence presented in complaints to decide whether the two-stage test is met - it is right, therefore, that we formally investigate all cases which meet the two stage test in a consistent manner, to maintain trust and confidence in our office. We have a significant amount of work to do on our aged Code of Conduct investigations, which represent approximately 30% of our open Code investigation cases. As a trial this year, we have dedicated a member of staff to work on Code assessment cases – early signs are that this has been effective in allowing other staff in the Code team to focus on aged investigations. We have also introduced additional case reviews to monitor progress on cases and whether it is proportionate and/or in the public interest for investigations to continue.

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<sup>1</sup> The two stage test – (i) whether the evidence provided in a complaint suggests that a breach of the Code has occurred, and (ii) whether an investigation is required in the public interest.

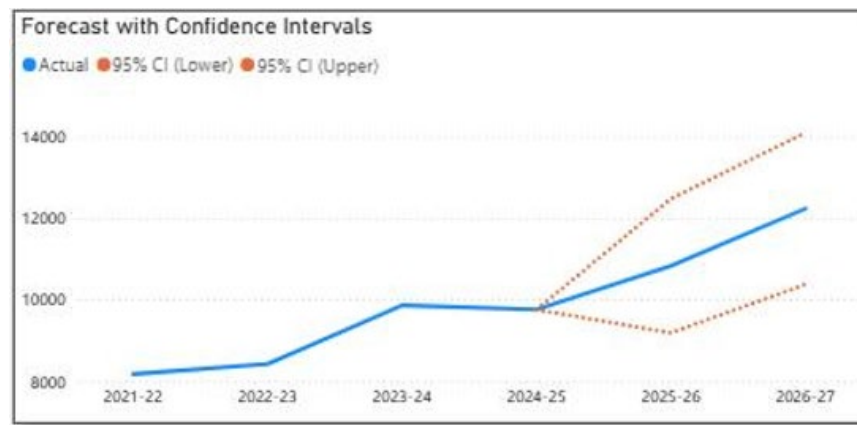
- 4.4 Our initial forecast is based on our actual casework data for the first 5 months of the year (April to August 2025). Our data shows that we are currently experiencing an 13% increase in enquiries in the current year to date. The high volume of enquiries suggests that this will lead into an increase in the number of complaints in the next few months, as those enquiries are processed. Our historic data shows that generally 50% of enquiries convert into complaints (the average since 2019/20 is 48%). We have used this percentage to forecast the future number of Public Service Complaints.
- 4.5 As per a previous Committee recommendation, we have revised our approach to forecasting with the assistance of our Lead Data Officer. The figures in the table below, for 2025/25 and 2026/27, are our forecast increases based on year-to-date figures, however, in light of the uncertainty (being so early in the financial year) in forecasting future workload, we have used confidence intervals<sup>2</sup> to form the basis of our future forecasts.

Year	Enquiries received	Code of Conduct complaints received	Public Service complaints received	Totals
2019/20	4,727	231	2,242	<b>7,200</b>
2020/21	4,001 (-15%)	308 (+33%)	1,874 (-16%)	<b>6,183 (-14%)</b>
2021/22	5,158 (+29%)	294 (-4%)	2,726 (+45%)	<b>8,178 (+32%)</b>
2022/23	5,350 (+4%)	283 (-4%)	2,790 (+2%)	<b>8,423 (+3%)</b>
2023/24	6,630 (+24%)	328 (+16%)	2,905 (+4%)	<b>9,863 (+17%)</b>
2024/25	6,210 (-6%)	315 (-4%)	3,232 (+11%)	<b>9,757 (-1%)</b>
2025/26 (projected)	7,012 (+13%)	358 (+13%)	3,506 (+8%)	<b>10,876 (+11%)</b>
2026/27 (projected)	7,924 (+13%)	405 (+13%)	3,962 (+13%)	<b>12,291 (+13%)</b>

**Table 1: Workload 2019/20 to 2024/25 with projections to 2026/27**

- 4.6 Graph 1 (below) shows past, current and projected numbers of enquiries and complaints, including confidence intervals. The inclusion of confidence intervals at the 95% level recognises that the actual number of enquiries and complaints received will vary from the figures in Table 1, and we expect the actual increases to be within the ranges in the graph.
- 4.7 For the 95% interval, this means that the range of values will be correct in 95% of estimations, and the 95% interval suggests total cases for 2026/27 could be as high as 13,803 (which would be a 27% increase).

<sup>2</sup> A confidence interval is a range of values, derived from historic data, that is likely to contain the true value of a population parameter, with a certain level of confidence. It is commonly used to reflect uncertainty in statistical forecasting and reflects good practice in data analysis. For example, a 95% confidence interval suggests you can be 95% confident that the actual parameter is within the range. Graph 1 excludes 2019/20 and 2020/21 from the Confidence Interval calculations because it mitigates the impact of the COVID pandemic on our casework figures.



**Graph 1: Forecast casework increases to 2026/27, including confidence intervals**

- 4.8 The cumulative effect of increases in casework and the fact we are working to full capacity and seeing ongoing caseload increases, means that, if we continue to manage our increasing public service complaints caseload by raising the bar for cases which are suitable for resolution or accepted for detailed investigation, then we may not be able to maintain the current level of positive intervention. To ensure that individual staff caseloads are manageable, we are queuing cases at various points in our process.
- 4.9 Our service users are left disappointed when we cannot positively intervene in a large proportion of cases. Also, it is demoralising for our staff, who are declining to investigate an increasing proportion of our public service complaints, as they take pride in our office's purpose and work to put things right for individuals when they have been treated unfairly by public bodies.
- 4.10 In relation to Code of Conduct complaints, we remain committed to improving our investigation timescales on Code cases. We recognise the impact long investigation timescales can have on individuals involved in cases and are using all available resources to improve the position. However, we are also mindful of likely future pressures arising as a consequence of the 2026 Senedd and 2027 Local Government elections – historically we have seen the number of Code complaints increase in the run up to elections.
- 4.11 Our current Strategic Plan for 2023-26 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 maintain the improvements we have seen this year in providing access to our services for those groups currently under-represented in our service users. We expect that this will result in more enquiries and complaints from these groups.
- 4.12 Following the enactment of the Public Services Ombudsman (Wales) Act 2019 ('2019 Act'), when established, the CSA had 2 members of staff. The CSA now has 51 public bodies working under the Standards. This financial year, we are starting the process of bringing the majority of the remaining Housing Associations (13) under the Standards. With the increase in bodies working under the Standards, there is increasing demand for training and support.

- 4.13 Further, the time and resource required to collect and collate CSA data each quarter is increasing leaving little time, alongside delivering training, to proactively reach out to bodies whose data may cause concerns around non-compliance.
- 4.14 In 2026/27 and beyond, and in addition to the above, the CSA will continue to bring further public bodies under the Standards, specifically GPs, dentists, pharmacies and opticians. Whilst the process for doing so will require adaptation, given that the CSA resources available would not be conducive to continuing onboarding as we have done previously, this will provide additional demand on already limited resources.
- 4.15 We will also take forward any recommendations the Committee makes to us following its Post-legislative review of the 2019 Act. The casework pressures that we are experiencing mean we will have to continue to balance resources across our reactive and proactive powers to deliver outcomes for the citizens of Wales.

## 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 and 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 Pay award costs are outside the control of PSOW and we have no input into pay award negotiations. The 2025/26 local government pay award has been settled at 3.2%. This submission includes provision for a 3% pay award from April 2026 and we are seeking £157k to help us meet increased staff costs. However, if the actual local government pay award is higher than we have provided for, we may have a funding shortfall that we may need to fund through the Supplementary Budget process.

### IT Contract Renewals

- 5.4 Our previous Estimate submission explained how our new IT Support contract would commence in April 2025, and that we would be allowing for an extra £20k to help us meet this (entirely funded through the efficiency savings from property). In reality, the cost of the new contract was cheaper than the previous one, so this additional funding was not needed and an additional £22k was saved. Therefore, the overall saving from the re-procurement of our IT Support contract was £42k.

- 5.5 In 2026/27, we will enter a new contract for the hosting and support of our website. The procurement exercise will commence later in 2025, however, we will be looking for a supplier to host our existing website, alongside an enhanced support package, in light of the reliance we have on our website and the growing cyber security threat. We would also seek a more agile supplier, with greater capabilities to deliver future improvements in functionality, and who is more advanced in potentially integrating AI tools, such as chatbots, into our website. We know that this will be more expensive than our current arrangement and, therefore, will use £32k of our previous saving to fund these increased costs, without seeking additional funding from the Welsh Consolidated Fund.
- 5.6 An additional cost pressure we are facing is the increased costs of our Adobe licences, which are currently procured through the Crown Commercial Services framework. The current 3-year deal will end in March 2026, meaning that the costs for 2026/27 will be under the new framework. We know that re-tendered contracts are likely to be more costly than the expiring contracts, therefore, we will be allowing for an extra £10k to help us meet this, to be funded through the efficiency savings from the IT Support contract.

#### **Price inflation**

- 5.7 For the current year (2025/26), we anticipated 2% inflation based on the rate of CPI, at June 2024. In reality, actual rates of CPI inflation have been higher, peaking at 3.6% in June 2025, which has had 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.
- 5.8 For 2026/27, we have assessed the impact of inflationary increases on a line-by-line basis. The Office for Budget Responsibility predicts inflation will peak further, later in 2025/26, before falling to 2% for 2026/27. The Estimate includes 3.5% as an inflationary cost pressure, reflecting 2% for 2026/27, plus the additional 1.5% catch up effect from 2025/26, which we are currently experiencing. Whilst we will continue to seek best value prices from suppliers, general inflationary pressures make price increases likely. We are seeking £39k to help us meet these costs of inflation.

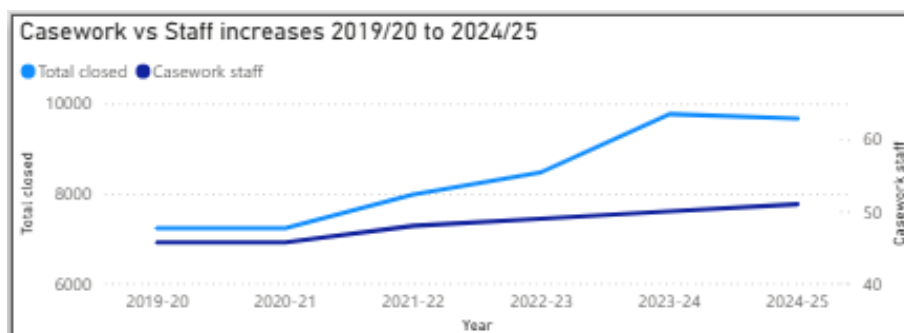
## 6. Efficiencies

### *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:
- Reducing 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.
  - Staff efficiencies, through reorganisation and staff turnover
  - IT efficiencies, following investment and reduced use of third-party suppliers
  - 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 generated £87k worth of efficiency savings, as a result of changing our approach to professional advice. We have also saved £42k through the re-tendering and change of supplier of our IT Support contract.
- 6.3 We are mindful of the pressures on Welsh public finances and therefore propose to apply the £87k cash-saving efficiency from our professional advice saving, to fund some of the investment in additional staffing resources, and the £42k IT saving to meet the increased costs relating the re-procurement of other key IT contracts. There is also a saving of £29k as pension payments to spouses of former Local Government Commissioners will be lower in 2026/27, which we will re-invest. This reduces our call on the Welsh Consolidated Fund, to fund pay and price increases.

### *Volume efficiencies*

- 6.4 Over the last five years, the volume of new complaints reaching our office has increased by 43%, whereas our staff permanently employed in 'Complaints & Investigations' has only increased by 6%. There has not been a commensurate increase in staff numbers dealing with complaints and enquiries – in reality a 43% increase in staff would equate to an increase of 21 to date (and of 23 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.



**Graph 2: Closed casework vs. staff numbers**

- 6.6 This diagram shows the number of cases we have **closed** each year and the number of casework staff between 2019/20 and 2024/25. This shows the continued and growing gap between casework staff and the volume of casework we are dealing with, and the efficiency (cost avoidance) savings we have made as a result.
- 6.7 This gap between increases in case closures and increases in staff numbers yields an estimated annual volume efficiency of around £900k. These efficiencies do not generate cash savings, but they reflect real efficiencies made.
- 6.8 Based on the modelling in our MTFP, our data suggests that this larger 'step-change' increase in staff numbers could be a one-off, and future increases in staff numbers may be lower than the increase that is being requested in 2026/27. The additional resources we would be seeking in 2026/27 would put us on a sustainable footing over the next few years, and would substantially reduce the risk of us needing further large staff budget increases over the medium term.



## 7. Investment in Strategic Priorities

- 7.1 We are in the process of developing our new Strategic Plan for 2026-2029. 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. However, these pressures make the new Strategic Plan even more important.
- 7.2 We were grateful that, in last year's Estimate, the Committee supported additional funding to appoint a new Lead Data Officer, and our new Data Strategy will be crucial in our commitment to make better use of our data. This year's investment in additional staff will give us an opportunity to review and re-set our staffing needs in the areas of work which are most pressurised – at the assessment stage of the public service complaints process and for Code of Conduct investigations.
- 7.3 Additional funding will give us an opportunity to add greater staffing resource and resilience to the assessment stage of our public service complaints processes – to enable us to assist more service users through early resolution and to reduce the need for us to queue cases at this stage of our process.
- 7.4 As Code of Conduct investigations and the subsequent adjudication process are very different to public service complaints investigations, additional funding will give us an opportunity to review and reconfigure our team in a way in which supports the different stages of the Code investigation and adjudication process – detailed evidence gathering, often from numerous witnesses; interviewing councillors; the drafting of reports, clearly and concisely, to draw out undisputed and disputed facts and representing the Ombudsman during the adjudication process. It will also enable us to continue our trial of having a dedicated member of staff on Code assessment work, which has allowed other staff to focus on progressing aged investigation cases.
- 7.5 We remain committed to investment in our IT & Digital Strategy and will continue to achieve this, by using our property savings, which will allow us to make investment in significant change without an additional call on funding from the Welsh Consolidated Fund. We are making good progress on the development of a new portal, to securely and efficiently communicate information and exchange documents with external parties. Phase 1 involves using our new portal to communicate with Relevant Bodies for Public Service Complaints. The portal has been provided to us for testing by CAS (the supplier of our main casework management system) and is undergoing final changes and configuration prior to it being deployed to an initial group of relevant bodies in Q3 2025/26. Wider deployment to relevant bodies will follow. Future phases of our new portal will expand its deployment to include Independent Professional Advisors, complainants and Code of Conduct cases; and all portal work will be funded from our existing budgets.

## 8. 2026/27 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 We have also considered the letter from the Cabinet Secretary for Finance and Welsh Language, dated 11 July 2025, which set out various factors to inform future budget planning. Whilst the letter explains the Senedd are planning a business-as-usual budget for 2026-27 this autumn, we feel that we cannot continue to respond to continued increases in demand without additional resources, for the reasons explained earlier in this document.
- 8.3 Changes between the 2025/26 budget and 2026/27 Estimate are summarised below:

<i>All figures in £000</i>	<b>Cash</b>		<b>Resource</b>
<b>2025/26 Budget</b>		<b>6,442</b>	<b>6,476</b>
3% pay award costs for 2026/27 and staff increments		+157	+157
Investment in additional staffing resources	+237		
Efficiency savings from professional advice work	(87)		
Saving in pension payments	(29)		
<b>Net increase in additional staffing resources</b>		+121	+121
Inflationary cost pressures for 2026/27		+39	+39
Increased costs from website re-procurement	+32		
Increased costs from Adobe licence re-procurement	+10		
Efficiency savings from previous contract re-procurements	(42)		
<b>Net increase in IT procurement costs</b>		-	-
Investment in Artificial Intelligence		+28	+28
IFRS 16 adjustments		-	(1)
<b>2026/27 budget</b>		<b>6,787</b>	<b>6,820</b>

**Table 2: Changes between the 2025/26 budget and the 2026/27 Estimate**

- 8.4 The Estimate for 2025/26 is shown in more detail in Appendix B and is prepared on an IFRS 16 basis. The presentation of Appendix B has been amended to align with our Annual Accounts, in line with the recommendation made by the Committee last year. Unit costs are included in Appendix C.
- 8.5 Further detail, together with a 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 2026/27.
- 8.6 Our cost pressures mainly arise from increased staff costs: £157k is required to meet the additional anticipated cost of the April 2026 pay award and contractual staff increments; and £237k is needed for investment in additional staff resources to assist the office in light of the significant casework pressures we are currently dealing with, so that we can positively intervene in more cases. Over the last five years, the

volume of new complaints reaching our office has increased by 43%, whereas our staff permanently employed in 'Complaints & Investigations' has only increased by 6%.

- 8.7 To offset against a part of this investment in additional staff, we have made a cash-releasing efficiency saving of £87k relating to our costs of professional advice, which has been achieved through efficiencies in our process and improvements that have arisen as a result of previous investment into our Case Management System. There is also a saving of £29k as pension payments to spouses of former Local Government Commissioners will be lower in 2026/27.
- 8.8 There are also inflationary pressures of £39k on our non-staff expenditure and £28k is required to invest in the use of Artificial Intelligence (AI) in our casework, as recommended by the Committee, through the use of MS Co-Pilot. All costs of significant IT re-procurement in-year (£42k) will be met through efficiency savings. We are not seeking additional funding for investment in improved digital and IT services, other than a small inflationary uplift.

## 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, which would be a 'business as usual' and stand still budget increase. This makes up 3.0% of our overall cash increase. The remaining 2.4% requested covers growth and investment in additional staffing and AI.

### ***Consequences of £196k (+3.0%) pay award and inflationary costs not being approved***

- 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 3 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, increasing the pressures on staff would have an 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 absence due to stress will increase.

- 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, less detailed consideration of some complaints and we would need to raise the bar further, regarding which cases merit further consideration, when we have already had to reduce the proportion of cases we positively intervene in, in order to manage demand. A reduced level of service would be a cause of real public concern, and likely reduce confidence in our office's ability to deliver fair and timely outcomes for individuals involved in cases. We would also have to scale back the use of our proactive powers and our outreach work to attract complaints from groups who have been under-represented in our complaints.

***Consequences of £116k self-funded investment in staff not being approved***

- 9.6 Going forward we want to continue to deliver our current service levels and take a balanced approach to our casework, across all public services. We have already raised the bar on public service complaints to only consider serious complaints, or those which suggest there may be systemic maladministration or service failures. The findings and recommendations we make on our detailed investigation reports, (the most serious of which are public reports), demonstrates that we are targeting our limited investigation resources effectively, to improve public services.
- 9.7 If the investment is not approved and the number of cases continue to rise, we will not be able to maintain the proportion of cases in which we intervene positively, to provide fair and just remedies for individuals who have been treated unfairly by public bodies. We would also likely have to reduce the use of our proactive powers to manage the casework demands. We would not be able to continue with our trial of having a dedicated member of staff on Code assessment work, and it will take us longer to improve timescales on Code investigations

***Consequences of remaining £121k (+1.9%) investment in staff not being approved***

- 9.8 If we are only able to invest our efficiency savings in additional staffing resources, this would have a limited impact in helping to address our current and future workload pressures. Without the marginal increase in resources we will not be able to meet the projected increase in the demand for our services, as set out above, without reducing the quality of service provided to the public. We would be able to continue with our trial of having a dedicated member of staff on Code assessment work and would be able to make a small investment in, potentially, another part-time member of staff. However, this would not allow for any meaningful change in capacity.
- 9.9 Our plans to review and re-set our staffing needs in the areas of work which are most pressurised would have to be delayed. We would miss out on the opportunity to add greater staff resource and resilience to the Assessment stages of our public service complaints processes which means we would not be able to assist more service users through early resolution. It is likely that queues at this stage of our process would grow. The opportunity to review and reconfigure our approach to Code work, to reflect the various stages of the Code investigation and adjudication process, will also be lost.

- 9.10 As explained above, we would also have to reduce our service levels to citizens in Wales with the proportion of cases we are able to positively intervene in reducing further. An increasing proportion of our resources would need to be devoted to issuing reasoned decisions on cases which do not meet our threshold for intervention which would result in us positively assisting fewer service users at a time when there is significant pressure on public services and our office is often the only available remedy of last resort.

***Consequences of £28k (+0.5%) investment in AI not being approved***

- 9.11 The use of AI is growing and we hope that over the next few years we can deploy it wisely to enhance service quality and further increase process efficiencies. To achieve the most benefit from AI, we are seeking a small investment for licenses for staff, which, if not approved, will put our trial of MS Co-Pilot on hold. Without these AI capabilities, we risk becoming less responsive and more resource-intensive, especially as the demand on our service grows. Our use of AI is initially being targeted at improvements in staff personal productivity, and this opportunity would be missed, if the investment was not approved.

## Appendix A – Budget Ambit - Public Services Ombudsman for Wales

This Estimate submission has been completed consistent with Standing Orders 18A and 20.23 of the Welsh Parliament, dated January 2025.

Ambit	Resources (£000)	Accruing Resources (£000)
Public Services Ombudsman for Wales	6,820	4

<u>Services and Purposes</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.	<p><b>£000</b></p> <p><b>6,820</b></p>

<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.
<b>Overall amount of Income (£000)</b>	<b>4</b>

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

<b>Net Resource Requirement</b>	<b>6,815 *</b>
<b>Net Capital Requirement</b>	<b>5 *</b>
Adjustments:	
Capital Charges	(159)
Impairments	-
Movements in Provisions	-
Profit/Loss on sale of assets	-
Movements in stocks	-
Movements in debtors/creditors	20
Use of Provisions	-
Other	106
<b>Net Cash Requirement for issue from the Welsh Consolidated Fund</b>	<b>6,787</b>

\* £6,815k + £5k capital = £6,820k Total Resource Expenditure in Appendix B.

## Appendix B – Estimate 2026/27

	2025/26	2026/27			
All figures in £000s	Budget 2025/26 1 <sup>st</sup> Supp	Pressures / Inflation 2026/27	Investment in Strategic Priorities	Efficiencies	Estimate
Staff salaries and related costs (note 1)	5,194	+157	+237	(52)	5,536
Premises and facilities (note 2)	162	+1			163
Legal and professional fees (note 3)	242			(87)	155
External Audit fee (note 3)	25				25
Computer Services (note 4)	351	+69	+28	(42)	406
Investment in service improvement and IT & Digital Strategy (note 5)	105	+4			109
Office costs (note 6)	105	+4			109
Travel and subsistence (note 7)	15	+1			16
Training and recruitment (note 8)	28	+1			29
Communications (note 9)	70	+1			71
<b>Total Revenue Expenditure</b>	<b>6,297</b>	<b>+238</b>	<b>+265</b>	<b>(181)</b>	<b>6,619</b>
Total Income (note 10)	(27)	+23			(4)
<b>Net Revenue Expenditure</b>	<b>6,270</b>	<b>+261</b>	<b>+265</b>	<b>(181)</b>	<b>6,615</b>
Capital Expenditure – DEL (note 11)	5				5
<b>Total Resources Required</b>	<b>6,275</b>	<b>+261</b>	<b>+265</b>	<b>(181)</b>	<b>6,620</b>
Depreciation and amortisation	70				70
Depreciation – leased assets	87	+2			89
Interest charge – leased assets	44			(3)	41
Capital AME – dilapidations	-				-
<b>Total Resource Expenditure</b>	<b>6,476</b>	<b>+263</b>	<b>+265</b>	<b>(184)</b>	<b>6,820</b>
Depreciation and amortisation	(70)				(70)
Depreciation – leased assets (note 12)	(87)			(2)	(89)
Interest charge – leased assets (note 12)	(44)	+3			(41)
Capital AME – dilapidations	-				
Change in working capital	147				147
Other non-cash movements	20				20
<b>Cash Requirement from WCF</b>	<b>6,442</b>	<b>+266</b>	<b>+265</b>	<b>(186)</b>	<b>6,787</b>

## Notes

### 1. Salaries and Related Costs

Under our employment contracts, staff salaries are increased annually, in accordance with Local Government NJC pay negotiations. For 2026/27, the table shows pressures of £157k (cost of staff increments and estimated 3% pay award from April 2026).

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.

There is also investment of £237k in additional staff resources. This will be used to re-set our staffing needs in the areas of work which are most pressurised. There are offsetting efficiency savings - £23k relates to the end of a staff secondment to the Ombudsman Association, and is offset by the change in income (see note 10) and £29k relates to expenditure that is no longer needed following the death of one of the spouses of former Local Government Commissioners, to whom PSOW has responsibility for pension payments.

### 2. Premises

This major item of expenditure is the lease and running costs of our premises at Bocam Park. This budget was significantly reduced in our last Estimate submission, where our new lease negotiation resulted in a cash efficiency saving of £105k. For 2026/27, these costs are subject to inflationary cost pressures of £1k.

### 3. Legal and professional fees (including external audit fee)

We have identified a cash efficiency saving of £87k, resulting from our use of professional advice. This will be used to offset some of the additional investment in staff requested above.

### 4. Computer Services

We have a number of contractually committed IT contract price increases. In 2024/25, we allowed for a 2% inflationary increase, but actual increases for the year were higher. This, alongside an inflationary uplift for 2025/26 and 2026/27, creates a cost pressure of £27k.

The additional costs following re-tendering for our website and Adobe contracts (+£42k) will be met through the efficiency savings we have made in previous IT contract renewals, such as our IT Support re-procurement in 2024/25.

As per previous recommendations from the Finance Committee, we are also making developments in the use of AI in our casework. A small amount of additional resource (+£28k) is sought to assist with purchasing licences, to allow us to start this work.



## 5. Investment in service improvement and IT & Digital Strategy

In 2024/25, we invested the balance of savings from our property rationalisation project 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. This year seeks a small inflationary uplift only (+£4k).

## 6. Office Costs

These costs are subject to inflationary cost pressures of £4k.

## 7. Travel and Subsistence

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

## 8. Training and Recruitment

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

## 9. Communications

Communications costs are subject to inflationary cost pressures of £1k. We will continue to use low and in-house options for communications and providing information about our services.

## 10. Income

The Estimate includes ongoing income for the provision of payroll services to the Future Generations Commissioner. The staff secondment to the Ombudsman Association ended in August 2025, so has been removed from the Estimate (+£23k).

## 11. Capital

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

## 12. 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. There is a very small adjustment in the 2026/27 Estimate (-£1k), to account for minor IFRS 16 changes.

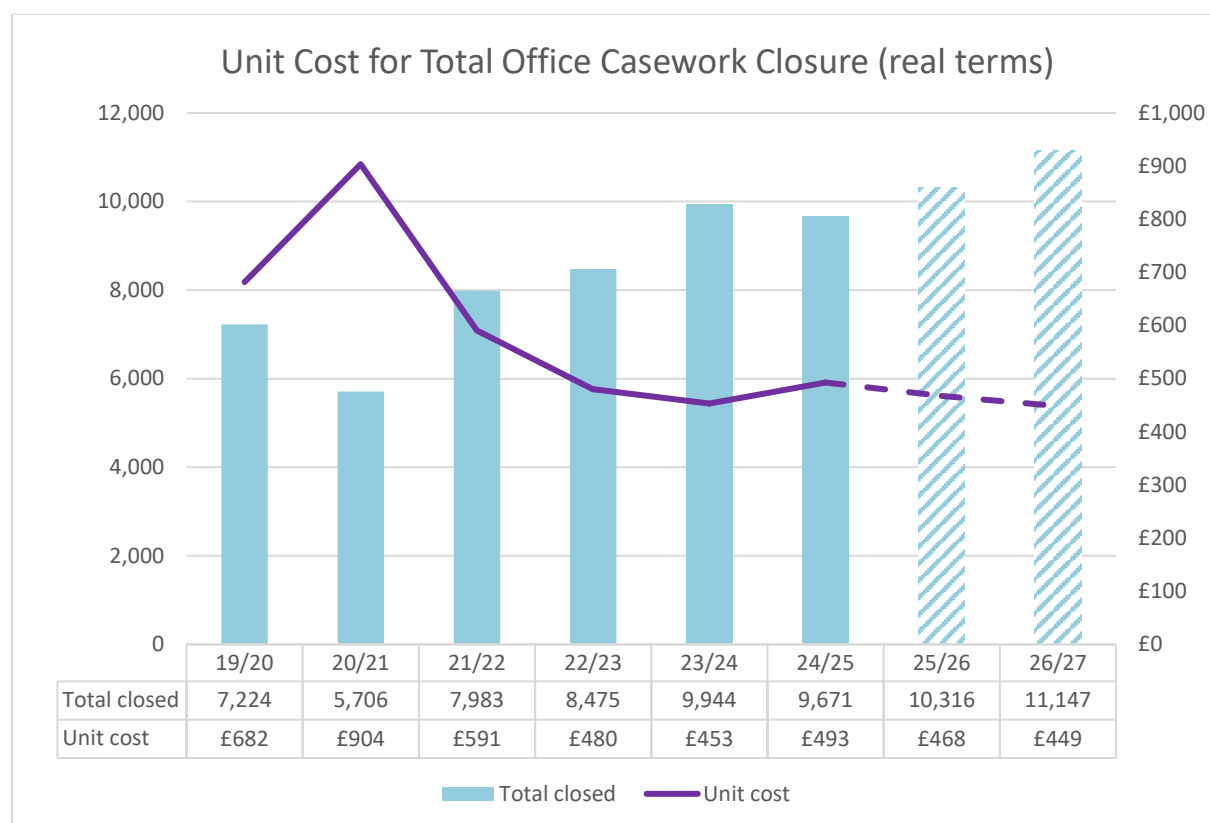
## Appendix C – Unit costs

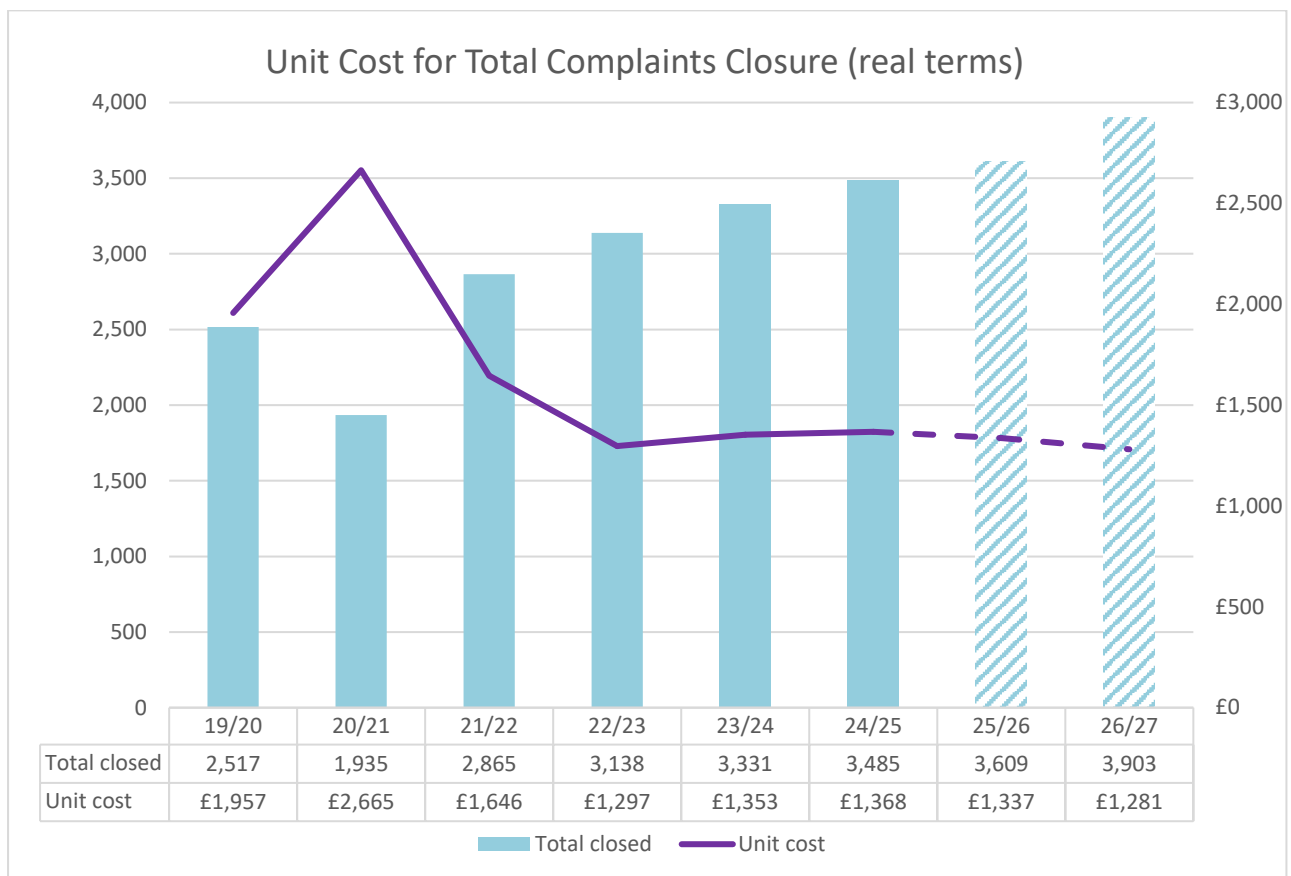
We continue to present unit costs calculated for our main activity – receiving, considering, investigating and responding to enquiries and complaints. This is our activity under Strategic Aim 1, and we use the audited figures for Operating Costs by Strategic Aim, presented within the accounts. Based on our 2024/25 Accounts, Strategic Aim 1 accounts for around 73% 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 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 2019/20 to 2024/25. For 2024/25 we have used CPI inflation as of July 2025, and for 2026/27 we have assumed inflation will be 2%.

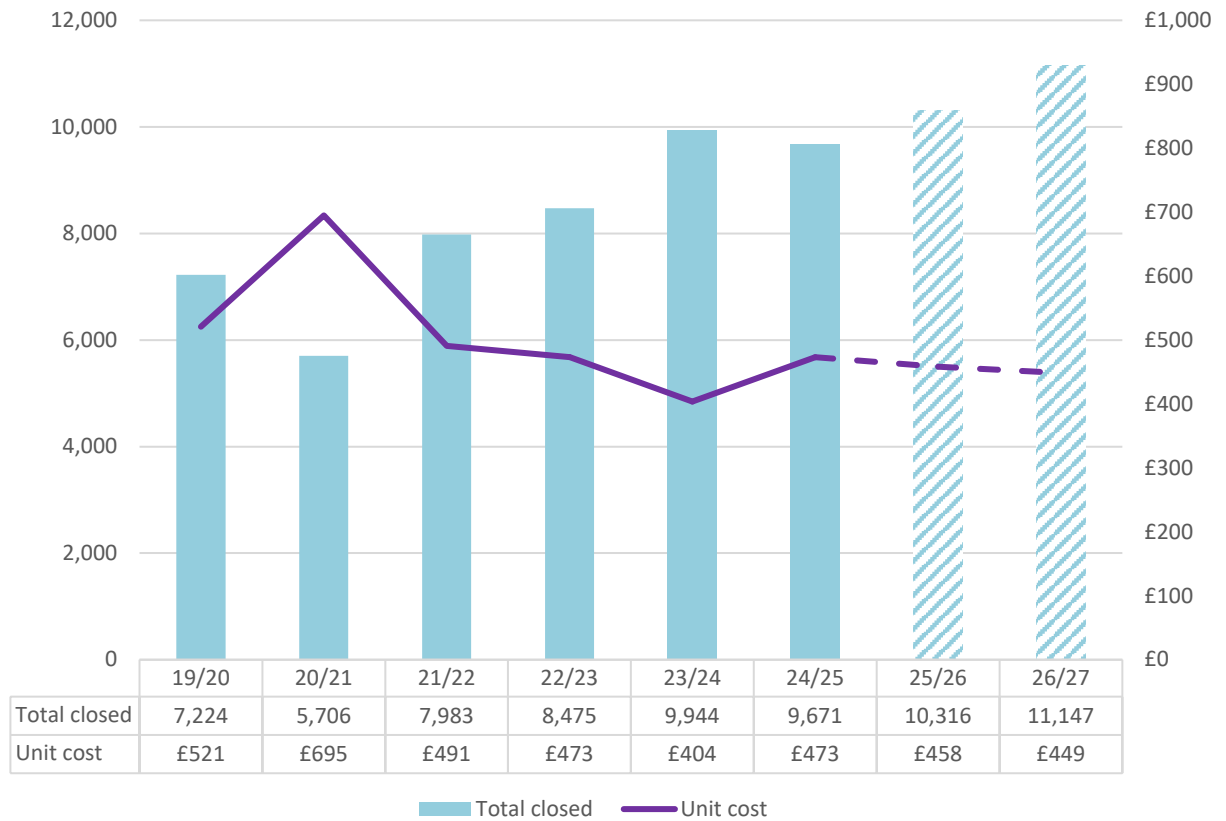




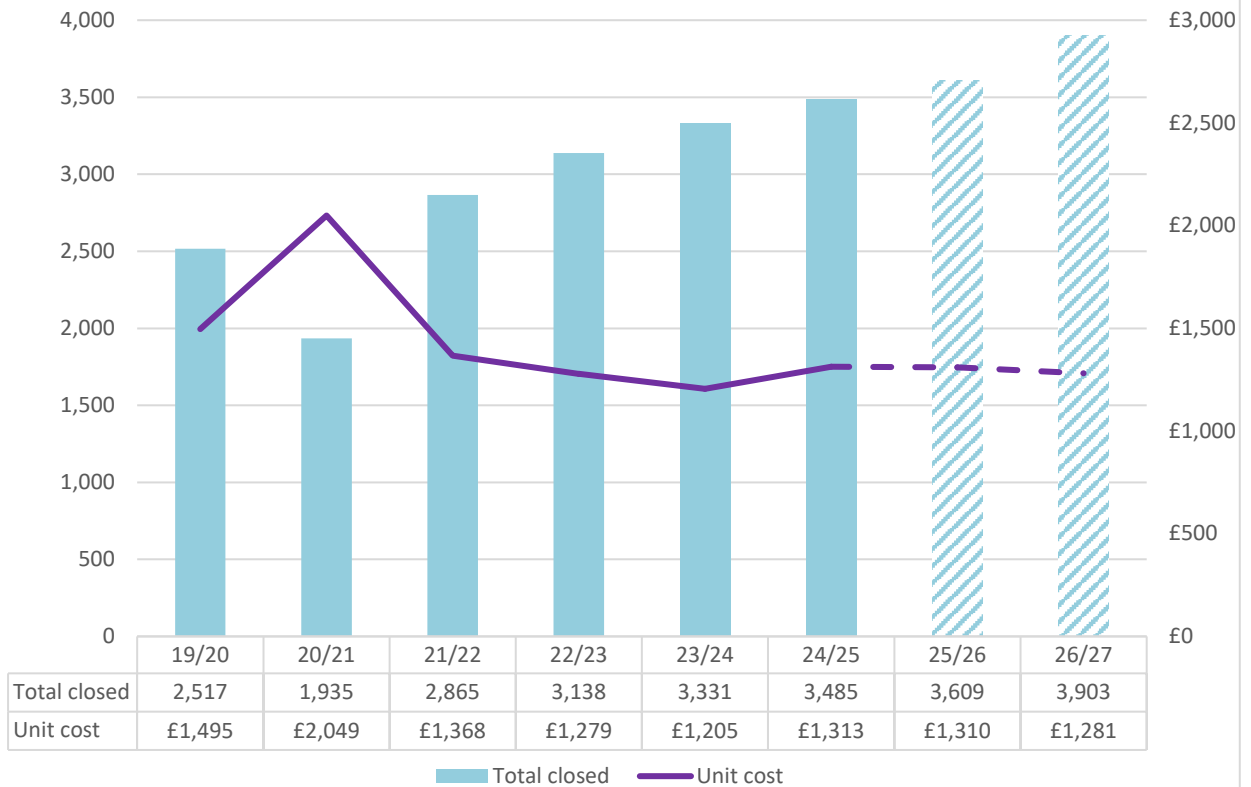
### Cash terms

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 (cash terms)



### Unit Cost for Total Complaints Closure (cash terms)



## 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"> <li>The Finance Committee believes budget estimates should be transparent, prudent and reflect the financial constraints in the public sector.</li> </ul>	<ul style="list-style-type: none"> <li>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.</li> </ul>
<ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>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 and volume efficiencies (section 6).</li> </ul>
<ul style="list-style-type: none"> <li>Requests should show how annual and multi-annual objectives will be prioritised, monitored and achieved.</li> </ul>	<ul style="list-style-type: none"> <li>The Estimate is intended to support the multi-year aims which will be set out in our new Strategic Plan 2026-2029. This sets out our proposed priorities. We will report annually, in our Annual Report &amp; Accounts, on progress in line with our revised Strategic Plan.</li> </ul>
<ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>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).</li> </ul>
<ul style="list-style-type: none"> <li>Bodies should continually seek to improve processes and accrue efficiencies.</li> </ul>	<ul style="list-style-type: none"> <li>The Estimate shows (section 6) efficiencies made by completing more work since 2019/20, within the resources we have. The Estimate also shows specific efficiencies to be achieved in 2026/27.</li> </ul>
<ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>The Estimate and the Strategic Plan set out the drivers that influence budget needs, together with the investment sought.</li> <li>Section 9 shows the consequences of the Estimate not being supported.</li> </ul>

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

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# Agenda Item 9

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

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