

Y Pwyllgor Cyllid / Finance Committee
FIN(5)-18-20 P2

Delivering Justice

Estimate 2021/22

Public Services Ombudsman for Wales

Contents

	Page
Introduction	2
Delivering Justice – a review of 2019/20	2
Key Performance Indicators	4
Financial Management	6
The Complaints Service	8
Corporate Plan 2019/22	9
Projected Casework and Expenditure to 2021/22	9
2021/22 Estimate	10
Estimate Summary	11
Detailed Analysis	11
Appendix A – Estimate 2021/22	13
Appendix B – Update on new powers	14

Public Services Ombudsman for Wales

Budget Estimate for 2021/22

Delivering Justice: A Review of 2019/20

This document was prepared during the Covid-19 global pandemic. Never have Welsh public services, particularly health and social care, experienced such pressures or levels of appreciation. It is pleasing, in that context, that the level of complaints, received by my office in 2019/20, about public bodies was similar to that in the previous year (an increase of only 1.6%). The proportion of our interventions – cases where we find maladministration or service failure – was also lower (20%, compared to 24% last year).

Our most serious cases, on which we publish public interest reports, totalled only 4, compared to 14 the previous year, a reduction of 71%. These related to Flintshire Council, Swansea Bay University Health Board, the Student Loan Company and a joint report involving Betsi Cadwaladr University Health Board, Gwynedd County Council and Cartrefi Cymru. We saw this year a very welcome drop in complaints about breaches of the Code of Conduct (-18%). We also referred fewer investigations of likely breaches of the Code of Conduct to the Adjudication Panel for Wales or Standards Committees, though there were several high profile cases which demonstrated why the ethical standards regime is required to maintain high standards of conduct in public office in Wales.

2019/20 was the first year of the implementation of our new Corporate Plan, 'Delivering Justice', and I am delighted to report excellent progress. In one of the key developments during the year, in 2019 the National Assembly for Wales passed our new Act, which received Royal Assent in May. We created a new Improvement Team with talent from inside and outside the organisation to lead the new work streams on own initiative investigations and Complaints Standards, as well as enhancing Policy and Communication resources and increasing our emphasis on internal and external complaints handling and service quality. The team wasted no time in getting key stakeholders up to speed, explaining the changes to the bodies in our jurisdiction, public service leaders from across Wales, senior civil servants and key third sector bodies. In October, we laid the criteria for exercising new powers of Complaints Standards and own initiative investigations before the National Assembly.

Both powers are now operational and in March 2020 we commenced consultation on the proposal for our first own initiative investigation. The Complaints Standards team has begun the ground-breaking work of collecting and analysing data about complaint handling in the public sector.

This work is still at an early stage, but it already begins to indicate that my caseload represents the tip of the iceberg in terms of the volume of complaints handled by local authorities alone.

In addition to launching the new powers, we continued our other efforts to promote improvement of public services in Wales. I met key bodies in jurisdiction including the leaders of Betsi Cadwaladr, Hywel Dda, Swansea Bay and Aneurin Bevan University Health Boards. I also met local government chief executives to discuss the new PSOW Act. We published our fourth thematic report 'Justice Misled' and our first ever Equality and Human Rights casebook. We also continued to inform the public policy process where appropriate.

As every year, we welcomed scrutiny by the Assembly's Finance Committee and the Equality, Local Government and Communities Committee.

Although I stood down as Chair of the Ombudsman Association in May, we sustained excellent relationships with the ombudsman community in the UK, Europe and across the world. We celebrated the new Act with a seminar in Aberystwyth University addressed by representatives of leading ombudsman schemes. The office also participated fully in the development of the 'Venice Principles', a new global standard of excellence for ombudsman schemes approved by the Council of Europe.

We have continued to liaise with stakeholders in Wales. Amongst many other engagements, I was pleased to attend the National Eisteddfod in Llanrwst and to meet the new Welsh Language Commissioner, Aled Roberts. In March, I was delighted to meet Sir Wyn Williams, President of Welsh Tribunals, following the launch of the report of the Thomas Commission on the future of justice in Wales.

None of this work would have happened without my dedicated staff. I was delighted with the results of our annual staff survey which found that 99% of respondents felt proud to work for PSOW. I was also pleased with the results of an external assessment by Chwarae Teg which demonstrated an excellent working culture. My thanks to my staff for the excellent work that they have done in delivering justice in Wales.

Key Performance Indicators

Like all public bodies, we measure our performance against a set of Key Performance Indicators (KPIs). The table below presents an overview of our KPIs that were set before the COVID-19 pandemic.

	2018/19	Target 2019/20	2019/20	Target 2020/21
KPI 1: Complaints about public bodies - decision times				
Decision that a complaint is not within jurisdiction < 3 weeks	83%	90%	95%	90%
Decision taken not to investigate a complaint (after making initial enquiries) < 6 weeks	84%	90%	92%	90%
Where we seek early resolution, decision within 9 weeks	85%	90%	94%	90%
Decision to investigate and start investigation within 6 weeks of the date sufficient information is received	55%	80%	67%	80%
KPI 2: Complaints about public bodies which are investigated - cases closed				
Cases closed within 12 months	82%	85%	81%	85%
KPI 3: Code of Conduct complaints - decision times				
Decision taken not to investigate within 6 weeks	92%	95%	93%	90%
Decision to investigate and start investigation within 6 weeks of the date sufficient information is received	76%	80%	86%	90%
KPI 4: Code of Conduct complaints which are investigated - cases closed				
Cases closed within 12 months	88%	90%	88%	90%
KPI 5: Customer satisfaction				
<i>2019/20 results and 2020/21 targets show all respondents / those satisfied with complaint outcome.</i>				
Easy to find PSOW	84%	90%	91 / 98%	91 / 98%
Service received helpful	51%	70%	63 / 83%	63 / 83%
Clear explanation of process and decision	71%	80%	65 / 89%	65 / 89%

	2018/19	Target 2019/20	2019/20	Target 2020/21
KPI 6: Compliance				
% of recommendations made and complied with by public service providers in the year	N/A	N/A	72%	N/A
Number of compliance visits	1	3	4	6
KPI 7: HR				
Completion of PRDP (appraisal) reviews	100%	100%	100%	100%
Employee response to staff survey	86%	85%	92%	N/A
KPI 8: Staff training				
% of staff achieving target number of days of continuing professional development	77%	90%	93%	95%
KPI 9: Staff attendance				
Average number of days lost through sickness per member of staff	3.3	< 6	9.3	6.5
% of working days lost through staff sickness	1.2%	2.0%	3.4%	2.5%
% of working days lost through short term sickness	N/A	N/A	1.0%	1%
% of working days lost through long term sickness	N/A	N/A	2.4%	1.5%
KPI 10: Financial				
Cash repaid to Welsh Consolidated Fund	0.5%	< 3%	1.0%	< 3%
Unit cost per case	£599	£700	£669	£700
Support costs as percentage of budget	3.5%	< 5%	4.3%	< 5%
External Audit Opinion on Accounts	Unqualified accounts	Unqualified accounts	Unqualified accounts	Unqualified accounts
Internal Audit Opinion on internal controls	Substantial Assurance	Substantial Assurance	Substantial Assurance	Substantial Assurance
KPI 11: Complaints about us				
Number of complaints received	30	N/A	36	N/A
Number of complaints upheld	9	N/A	7	N/A
KPI 12: Sustainability				
Waste (kg)	31,110	<30,000	26,996	26,000
Electricity (kWh)	106,701	<100,000	104,521	104,000

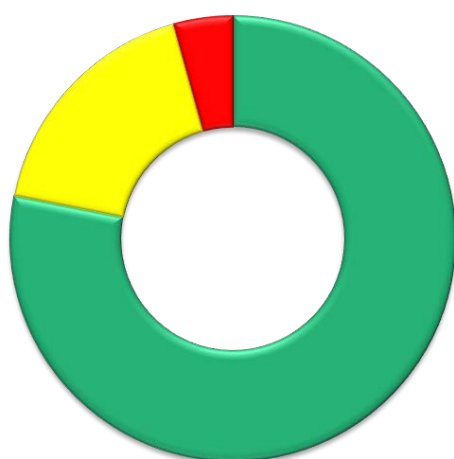
Financial Management

Resource Out-turn	£000s	£000s	Change
2019/20	Budget	Actual	Variance
Net Resource	4,954	4,871	83
Net Cash Requirement	4,884	4,836	48

The arrangements for financial management and internal control have been independently reviewed by Deloitte as the PSOW’s internal auditors. Their Internal Audit Annual Report in respect of the year 2019/20 stated: ‘Based on the work we have undertaken during the year we are able to conclude that the Public Services Ombudsman for Wales (PSOW) has a basically sound system of internal control, which should provide substantial assurance regarding the achievement of PSOW’s objectives.’ Their reports highlighted the satisfactory internal control framework in place within the organisation and made recommendations for improvement where necessary.

The Auditor General gave the annual accounts for the year 2019/20 an unqualified audit opinion in keeping with previous years.

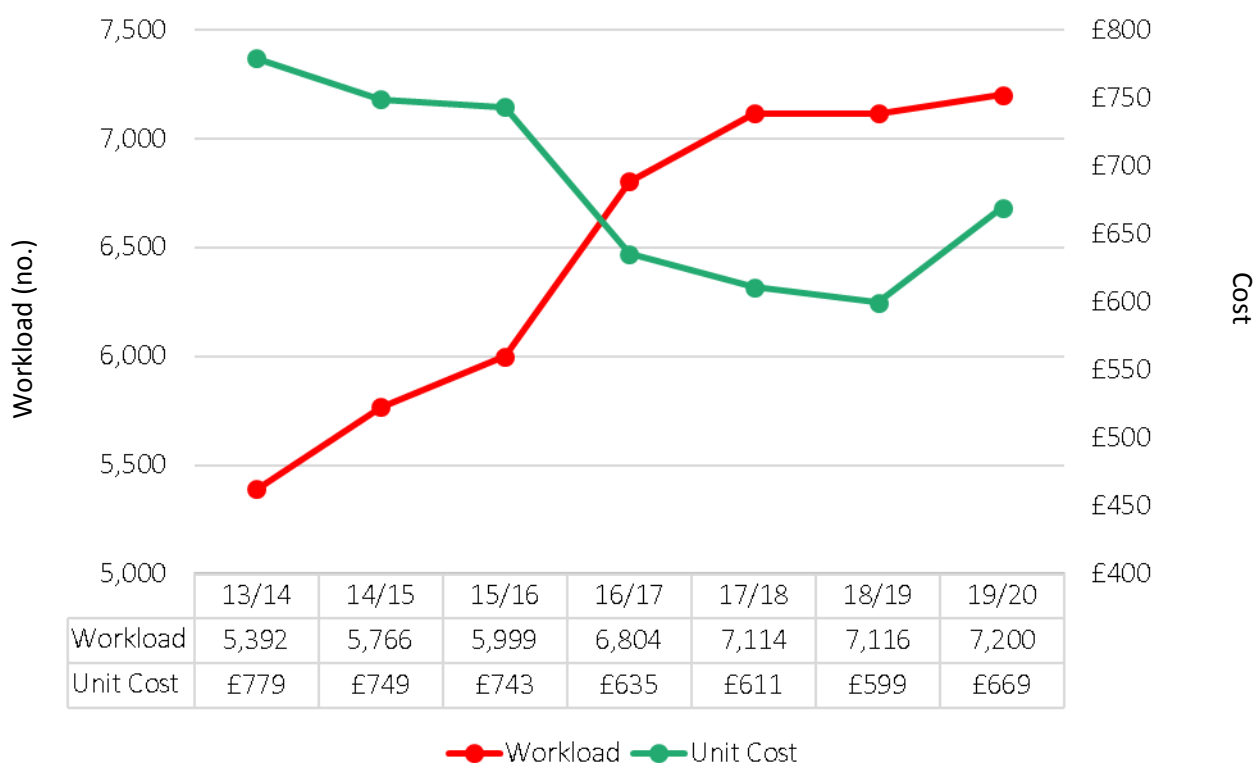
The PSOW has worked on the principle that the overheads of the office should be less than 5% of the total expenditure. This is evidenced in the analysis of expenditure on the aims and objectives of my Strategic Plan, as set out in the Annual Accounts, where overheads are identified as 4% of total costs.



- Complaints Service 78%
- Improve Public Services 18%
- Accountability and value for money 4%

The majority of our resources (78%) continue to be applied to complaints handling

Unit Costs – Revenue Expenditure



We've seen a 34% rise in workload over the last 7 years and a 14% reduction in unit costs, in real terms

PSOW Act 2019 expenditure	
	£000s
Staff costs	171
Communications	25
Office costs	9
Capital	8
Training & Recruitment	5
Computer services	5
Premises	4
Travel & Subsistence	4
Total spent on New Powers	231
Budget	251
Variance	20

We spent 92% (£231k) of the funding we budgeted to spend on implementing the new PSOW Act.

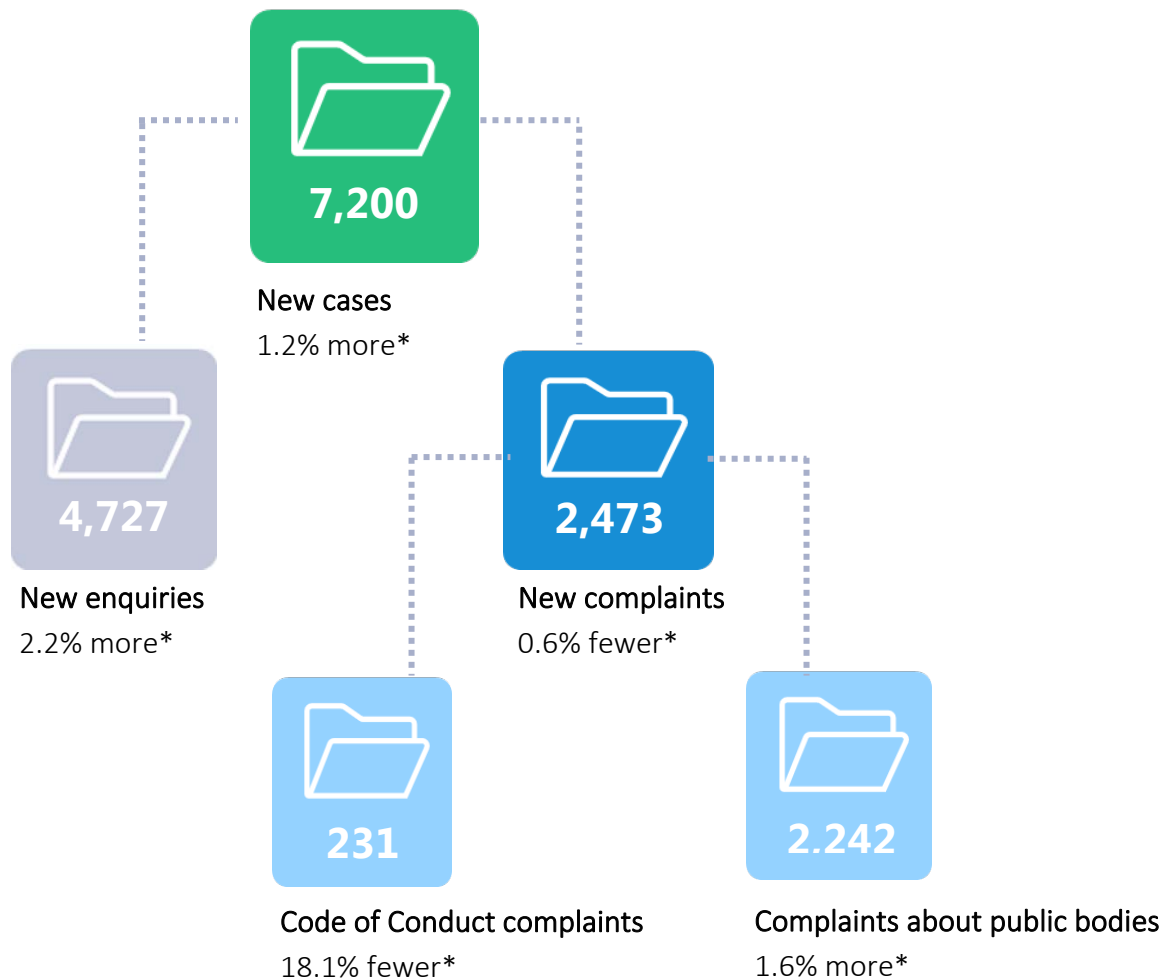
See Appendix B for summary of progress on new powers.

The Complaints Service: Our caseload volumes and trends

New caseload

Every year, we are contacted by thousands of individuals. Continuing the trend over recent years, in 2019/20 **the number of contacts with our office increased by 1.2% to 7200**—the highest since the establishment of the office.

As in previous years, **around 65% of new cases involved enquiries rather than complaints.** We welcome all contacts with our office, and we continue to work to raise awareness of our role and our powers, to help people understand when and how we can help.



* compared to 2018/19

Corporate Plan – 2019/2022

Our Vision for public services in Wales

Services that actively listen and learn from complaints.

Our Mission

To uphold justice and improve public services.

Our Strategic Aims

Strategic Aim 1: Deliver Justice

A fair, independent, inclusive and responsive complaints service.

Strategic Aim 2: Promote Learning, Work to Improve Public Services

Promote learning from complaints and stimulate improvements on a wider scale.

Strategic Aim 3: Use Resources Wisely and Future-proof The Organisation

Identify and adopt best practice. Secure value for money and services that are fit for the future. Support staff and ensure good governance which supports and challenges us.

Projected Casework and Expenditure to 2021/22

- Enquiries and Public Body Complaints are projected to increase by 5% over the next year but the effect of Covid-19 on casework and expenditure is yet to be fully determined.
- Resource expenditure is planned to reduce in real terms compared to 2020/21.

Casework	2019/20	2020/21	2021/22
	Actual	Budget	Estimate
Enquiries (no.)	4,727	4,963	5,211
Complaints - Public Body (no.)	2,242	2,357	2,475
Complaints – Code (no.)	231	240	250
	7,200	7,560	7,936
		5%	5%
	£000s	£000s	£000s
Resource expenditure	£4,871	£5,110	£5,110
Unit Cost	£677	£676	£644

2021/22 Estimate

Background

The Finance Committee of the National Assembly for Wales, now Senedd Cymru Welsh Parliament, developed a Statement of Principles that Directly Funded Bodies should consider when preparing their annual budget proposals. The principles are:

- 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.
- Requests should show how annual and multi-annual objectives will be prioritised, monitored and achieved.
- 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.
- Bodies should continually seek to improve processes and accrue efficiencies.
- 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.

Information that will be made available to assist in budget preparation will include the latest guidance on public sector pay remits, GDP deflator forecasts, forecasts of devolved taxes and the Welsh Government's best possible assessment of the overall level of funding available in future years.

Assumptions:

- The effect of Covid-19 on casework and expenditure is yet to be fully determined.
- Staffing levels are assumed to remain at April 2020 levels.
- Any pay award in 2021/22 to be funded by efficiency savings.
- Contractual increments to be funded by PSOW through process improvements and other internal efficiency savings.
- GDP deflator 0.1% as per OBR Fiscal Sustainability Report July 2020.
- IT costs in line with 3-year plan as part of wider Technology Roadmap to 2029/30.
- The outcome of the rent review in August 2020 was to fix the lease at the current rental for 4 years, followed by a modest increase in the 5th year.
- The implementation of IFRS 16 Leases has been delayed to 2021/22 and Welsh Government have requested that the final Estimate submitted to Finance Committee be prepared on a pre-IFRS basis. The overall effect on resource will be minor and reflected in the first Supplementary Budget.

Estimate Summary:

The Estimate for 2021/22 is shown at Appendix A. The Resource and Cash requirements are unchanged from the 2020/21 budget at £5,110k and £5,070k respectively.

The PSOW intends to fund pay and inflation pressures from:

- Staff efficiencies through reorganisation
- Churn
- Changes to working practices such as working from home
- Continuing to bring services such as translation in-house
- ITC efficiencies following investment in hardware and Case Management System
- Improved website including self-serve and signposting facilities
- Paperless office
- Strict budgetary control of key areas, such as professional fees for advice on casework.

Detailed Analysis

Salaries and Related Costs

Staff pay is linked to Local Government NJC pay negotiations. The final pay offer of 2.75 per cent made by the employers' side was accepted in August 2020. This was 0.75% higher than included in last year's Estimate but will be managed within the allocated budget. Any pay increases in 2021/22 will be met from efficiencies. No change to NI and Pensions contributions are anticipated.

Premises and other leases

The major item of expenditure is rental of the premises at Bocam Park, which was subject to a rent review in August 2020. PSOW has negotiated to fix the lease at the current rental for 4 years followed by a modest increase in the 5th year. Photocopiers were purchased outright in 2019/20 thereby reducing leasing charges.

Computer Systems and Support

Major investment in IT hardware and the Case Management System was made in 2018/19 with the aim of increasing efficiencies and resilience. This investment has helped staff to work successfully from home during the pandemic. The budget is increased to £212k to reflect an increase in IT support costs.

Office Costs

The reduction of £19k reflects efficiencies in the use of resources such as paper, printing, postage and courier services, and the purchase of photocopiers in 2019/20. Expenditure has been also been reduced through in-house translation and a move to online library services.

Professional Fees

The figure of £246k includes legal, internal audit and other professional services as well as external advisers. Efficient management of our professional advisers has reduced costs despite an increased caseload.

Travel, Training and Recruitment

The reduction of £15k reflects reduced travelling costs and no plans for significant staff recruitment in 2021/22.

Communications

Reduced activity in organising seminars and conferences, as well as use of in-house translation for communication materials, will deliver savings of £4k.

Depreciation

Depreciation of fixed assets remains unchanged at £60k.

Contingencies

This budget estimate does not include any contingency provision for meeting unexpected items of expenditure, such as legal challenges to my casework decisions.

Appendix A – Estimate 2021/22

Estimate	2020/21	2021/22
PSOW Expenditure	Budget	Estimate
	£000s	£000s
Staff salaries and related costs	£3,889	£3,985
Premises and facilities, including leases	£425	£379
Professional fees	£280	£246
ICT costs	£190	£212
Office costs	£118	£99
Travel, training and recruitment	£90	£75
Communications	£50	£46
Total Revenue Expenditure	£5,042	£5,042
Total Income	(£17)	(£17)
Net Revenue Expenditure	£5,025	£5,025
Capital Expenditure	£25	£25
Total Operational Resource	£5,050	£5,050
Depreciation and amortisation charges	£60	£60
Total Resource Expenditure	£5,110	£5,110
Depreciation and amortisation charges	(£60)	(£60)
Other non-cash movements	£20	£20
Cash Requirement from WCF	£5,070	£5,070

Appendix B- Update on new powers

The Public Services Ombudsman (Wales) Act 2019 gained Royal Assent on 22 May 2019. Some provisions of the Act commenced then, with those relating to the new powers generally coming into force on 23 July 2019.

This annex reports on the progress made to date and the plans for the future. The 2019 Act made a number of changes to previous legislation and in particular gave the Ombudsman power to

1. Accept complaints other than in writing
2. Undertake investigations on the Ombudsman's own initiative
3. Set complaints handling standards for public services in Wales
4. Investigate some elements of private healthcare where these are provided as part of a largely public course of treatment.

Preparations

Additional staff were recruited to Complaints Standards and Own Initiative roles in Summer 2019. On 1 August 2019, consultation on the following commenced:

- Criteria and Procedure for Own Initiative Investigations
- Complaints Handling Principles, Policy and Guidance.

Responses to the consultation were positive, with some comments that resulted in a number of small changes to the documents. The Own Initiative Criteria and Complaints Handling Principles were laid before the National Assembly for Wales on 18 October. The legislation allows for these to be published as agreed documents if there are no Assembly resolutions to the contrary within 40 days. After allowing for Assembly recess, this meant that the Own Initiative Criteria and Complaints Handling Principles were published and took effect in January 2020.

Complaints other than in writing

Our systems have been developed to allow us to record the number of complaints other than in writing. So far these have been oral complaints, and we took 45 oral complaints during 2019/20. These have allowed people who might not otherwise have been able to make a complaint to do so. Whilst it is early days, there is some indication that this has also helped to establish more focused complaints, helping both the complainant and our staff.

We had planned to promote the availability of this service during the current year, but this has been delayed by the Covid-19 pandemic. We will be working on this and are arranging for public bodies to advise those who complain to them that we can consider oral complaints.

Own Initiative Investigations

Once the criteria for Own Initiative Investigations were confirmed, a proposal for the first own Initiative Investigation was prepared for consultation. Following engagement with public bodies, and third sector organisations, the subject selected was the homelessness assessment and review process. With what turned out to be unfortunate timing, the consultation on the proposal was launched on 13 March, not long before the Covid-19 pandemic took hold in the UK. The consultation was paused once lockdown began.

The chosen subject has since been reviewed and refined, to ensure that the investigation remains relevant and takes account of the impact of Covid-19 on homelessness and of the changes made by public services in the light of the pandemic. A consultation on the revised proposal is being undertaken, with a launch at the Chartered Institute of Housing conference on 23 September 2020.

Complaints Handling Standards

Consultation on the general Model Complaints Handling Procedure and Guidance closed in summer 2019, and these documents have now been finalised. They were to be formally introduced in March 2020, but this has been delayed by the pandemic, which has substantially affected the ability of public service to devote additional attention to these areas.

Prior to March, Complaints Standards staff engaged extensively with public bodies in Wales, with visits to 21 Local Authorities and 5 Health Boards. Standardised Complaints Data recording has been established for Local Authorities and 30 training days (worth c.£90k) had been arranged. Regrettably this has been cancelled but virtual sessions (via Zoom/Microsoft Teams) have now been arranged, starting in September 2020.

Complaints Handling Principles, the Model Complaints Handling Policy and Guidance will be issued in September 2020 to Local Authorities, for compliance by April 2021. Health Boards, that must comply already with the requirements of Putting Things Right, will follow.

For 2021/22, quarterly reporting of Complaints Data will extend to Health Boards, and work will be done to engage with Housing Associations to improve complaints handling and gather complaints data. Once this is complete, the public bodies generating 95% of the Ombudsman's caseload will be covered by Complaints Standards.

Elements of Private healthcare

The power introduced under the new legislation allows the Ombudsman to investigate elements of private healthcare where this was relevant to a complaint about healthcare in a predominantly public setting. When the legislation was being developed, it was clear that the power would be used only occasionally. Whilst it is a valuable power to have, and one welcomed at the time, it is not a power that has yet been used.

Costs and Benefits of the 2019 Act

Direct Costs associated with the new powers are being recorded and reported, and work is ongoing to develop analysis of indirect costs (for example opportunity costs affecting public service providers), cost avoidance and benefits. An outline methodology has been developed and is being independently reviewed. This will form the basis for annual reporting on costs and benefits, and this will be included in the Ombudsman's Annual Report & Accounts.

Conclusion

Covid-19 has undoubtedly affected the full implementation of the new powers provided by the 2019 Act. However, substantial progress has been made, supporting the aims of improving social justice and protecting the most vulnerable in society, recognising that they are often those most reliant on public services. Progress will be made this year and in 2021/22 to further these important aims.