

Nick Bennett
Public Services Ombudsman for Wales

Dyddiad | Date: 14 October 2021

Pwnc | Subject: Public Services Ombudsman for Wales Estimate 2022-23

Dear Nick

Thank you for attending the Finance Committee on Wednesday 13 October to consider your Annual Report 2020-21 and present your Estimate 2022-23. I am writing to inform you that having considered your Estimate and the evidence you provided, the Committee is unable to lay your Estimate as submitted to the Committee.

Our concerns are twofold and relate to the requested Total Managed Expenditure in your Estimate for 2022-23, which is £293k more than the original budget for 2021-22 (an increase of 5.7%, up from £5,110k to £5,403k):

1. Increase in staff costs – an increase of £222k for 2022-23 when compared with the original 2021-22 budget

During the evidence session, the Committee sought a breakdown of the additional £222k for staff costs you request for 2022-23. You told the Committee the increase reflected the projected staff pay awards of £70k and £60k for 2021-22 and 2022-23, respectively, along with a further £92k for two new caseworkers.

While you did not seek an increase in the total resource requirement for 2021-22 when compared with 2020-21, the Committee notes that your staff costs increased by £96k. Your Estimate for 2021-22 noted:

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 [Emphasis added].

The Committee would welcome clarification as to why additional funding is being sought in your Estimate for 2022-23 for the pay award for 2021-22. You have also indicated you are likely to submit a Supplementary Budget, which will also seek additional resources as a contribution to the cost of the pay award in 2021-22 which seems at odds with what you previously set out in your budget for that year.

2. Caseload projections

The Committee notes your assumption of a projected growth of 20% in casework for 2022-23, which is supported by a table in your 2022-23 Estimate which shows an increase to 8,711 from 7,200 for the Budget for 2021-22. However, the total figure of 7,200 for 2021-22 differs from the total of 7,936 indicated in your Estimate for 2021-22.

The projected outturn of 7,919 cases for 2021-22 is therefore 17 fewer than that indicated in your Estimate for 2021-22 (7,936 cases). It also suggests the projected caseload for 2022-23 (8,711) represents an increase of 10% when compared with the assumption on which your 2021-22 Estimate was made (7,936) and not 20%. Could you explain why these figures are different and provide an indication of how it impacts the resources sought for 2021-22 and 2022-23?

You may be aware that the Committee considered the Senedd Commission's Draft Budget 2022-23 on 8 October 2021, which seeks an increase in Commission related expenditure of £1,730,000 (an increase of 4.4%). Whilst the Committee has not yet reported on the Commission's Draft Budget 2022-23, in the main it is content with the proposed increase.

The Committee feels it would not be appropriate to support your proposed increase and requests you modify, and resubmit, your Estimate reducing your proposed increase in Total Managed Expenditure so that it would not exceed the Senedd Commission's proposed budget increase for 2022-23.

As required by Standing Order 20.24 we are consulting with you on these changes. I hope you will understand the Finance Committee's reasoning behind this approach and we request that you modify your 2022-23 Estimate to incorporate these changes, and re-submit your Estimate to the Committee by **Friday 29 October**. However, should you wish to make representations with regards to our requests, please inform the Finance Committee Clerk (Leanne Hatcher Leanne.Hatcher@Senedd.Wales) at the earliest opportunity, but no later than 22 October 2021.

In addition, given that the Committee's remit now includes all oversight responsibilities for your office, we would be grateful if you could respond formally to any recommendations the Committee makes in future reports.

Yours sincerely,



Peredur Owen Griffiths
Chair, Finance Committee

Croesewir gohebiaeth yn Gymraeg neu Saesneg.
We welcome correspondence in Welsh or English.