



Our ref: NB/CV

Ask for: Chris Vinestock

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Peredur Owen Griffiths MS
Chair of Finance Committee
Senedd Cymru / Welsh Parliament

By email only:
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Dear Mr Owen Griffiths

Public Services Ombudsman for Wales: Estimates 2022/23

Thank you for your letter of 14 October following the Committee's consideration of our Annual Report & Accounts for 2020/21 and our Estimate for 2022/23. I am happy to clarify our submission and respond to your concerns.

Increased staff costs

The service we provide is a people-based service and we have been working to make efficiencies to reduce non-staff costs, where we can, so we can maximise staff resources to meet the pressures of our complaints workload. This, together with a move to rely on in-house staff rather than contractors (e.g. for translation services and human resource support) will inevitably increase our expenditure on staff when comparing one year with another. Our pay scales also include annual incremental progression until staff reach the top of the scale, so staff retention means that salary costs will increase year to year, whether or not there is a pay award.

The letter refers to an increase in staff costs between the **2020/21** budget and the **2021/22** Estimate submitted in September 2020. There was an increase of £96,000 (2.5%) and you refer to the April 2020 pay award of 2.75% that fed into this.

In September 2020 CPI inflation was around 0.5% and at that time (and later in the year) there was an expectation of a public sector pay freeze. When we submitted our

Estimate for 2021/22, we anticipated that there might be no pay award, and that if there was one it would be small and could therefore be met from efficiencies. As we indicated, the current offer from local government employers is 1.75% - this has been rejected by trade unions but it therefore seems likely that the pay award will be at least 1.75%. The Estimate submission for 2022/23 anticipates that part of this (1%) will be accommodated through efficiencies, with the balance sought as an increase in resources. On reflection, the intention to meet the pay award from efficiencies should have been qualified, rather than absolute, and this will be borne in mind for future submissions.

Caseload

The complaints handling and investigation part of our service is reactive and incoming case numbers are outside our direct control. For budgeting and planning purposes we do look ahead and include our estimate of future caseload in our submission to the Committee.

In **September 2020** we estimated that we would receive 7,936 enquiries and complaints in 2021/22 and then we revised that estimate in **September 2021**, in the light of the first half of the year, to 7,919. Whilst this is still an estimate, the revised figure reflects experience so far this year. The breakdown shows a significant increase in Code of Conduct complaints and small reductions in enquiries and public body complaints.

At the start of the current financial year, we revisited our forecast of complaints and enquiries in the light of 2020/21 **actual** workloads and we forecast 7,200 for the 2021/22 year. The table on page 7 of our Estimate submission shows this, but also shows our latest forecast of 7,919. Our forecast now is 7,919, which is 10% more than we anticipated on 1 April 2021, but similar to our September 2020 forecast. However, it is 28% more than 2020/21 actuals, which is the comparison we have used in the past. A column was included for the 2021/22 Budget because of the difference this year between the financial budget and our financial forecast, but I will ensure that the presentation in my revised submission is clearer about this.

You ask specifically about how these forecasts affect the resources sought for 2021/22 and 2022/23. In our 2021/22 Estimate submission, in September 2020, we forecast 7,936 and we now forecast 7,919 enquiries and complaints. The difference of 17 is not material in terms of the resources sought for 2021/22. I would add that the additional resources I propose to seek through a Supplementary Budget this year are not related to caseload, but rather to IT security, performance and resilience and to the pay award referred to above.

For next year (2022/23), I am forecasting a further 10% increase in caseload and am seeking funding for two additional staff. Whilst caseload forecasts for 2022/23 are inevitably estimates, they are based on current levels and on information from public bodies on the trends they are experiencing. I will amend the Estimate as requested by the Committee but am satisfied that the resources sought in the revised submission are justified by current and forecast caseload.

I remain very grateful to the Senedd and to the Finance Committee for the support given to my office. I would welcome the opportunity to meet with you and your researchers to tell you more about our work, our finances and our operations. Please let me know if you would be happy to meet, at the Senedd or in our offices.

We will submit a revised Estimate by 29 October, and we will respond formally to the Committee's recommendations when we receive them. Please let me know if you need any further information in the meantime.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Nick Bennett', with a large, sweeping flourish above the name.

Nick Bennett
Ombudsman