

Public Services Ombudsman for Wales

1st Supplementary Budget – 2025/26

**Explanatory Memorandum to the Chair of the Finance
Committee**

This Supplementary Budget submission has been prepared in accordance with Welsh Parliament Standing Orders 18A.2 and 20.36 (dated January 2025).

Increase to National Insurance contributions

The UK Government has implemented changes in employer National Insurance contributions for 2025/26. This was announced after our Estimates submission in October 2024 and will result in an additional annual cost of £84k.

The increase in employer National Insurance contributions for staff is outside the Ombudsman's control. The Cabinet Secretary for Finance and Welsh Language confirmed that the UK Treasury had advised that additional funding will be provided to cover the costs of employer national insurance contributions for public sector workers.

In previous years, such changes were handled through an in-year supplementary budget allocation. This was the case when employer pension contributions increased significantly in 2019/20, and when National Insurance contributions were increased (and then subsequently reduced) in 2022/23.

Additional Resources Sought

In summary, we propose a variation to the annual budget motion in compliance with Standing Order 20.36 in respect of:

- A sum of £84k (cash and resource) to cover the increase in employer National Insurance contributions from April 2025.

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All figures in £000s	Estimate	Changes	Revised Estimate
Staff salaries and related costs	5,110	84	5,194
Premises and facilities	162		162
Professional fees	267		267
IT costs	351		351
Investment in IT & Digital Strategy	105		105
Office costs	105		105
Travel, training and recruitment	43		43
Communications	70		70
Total Revenue Expenditure	6,213	84	6,297
Total Income	(27)		(27)
Net Revenue Expenditure	6,186	84	6,270
Capital Expenditure – DEL	5		5
Total Resources Required	6,191	84	6,275
Depreciation and amortisation	70		70
Depreciation – leased assets	87		87
Interest charge – leased assets	44		44
Capital AME – dilapidations	-		-
Total Resource Expenditure	6,392	84	6,476
Depreciation and amortisation	(70)		(70)
Depreciation – leased assets	(87)		(87)
Interest charge – leased assets	(44)		(44)
Capital AME – dilapidations	-		-
Change in working capital	147		147
Other non-cash movements	20		20
Cash Requirement from WCF	6,358	84	6,442