



Comisiynydd Pobl Hŷn Cymru
Older People's Commissioner for Wales

Older People's Commissioner for Wales
Financial Estimate

2022-2025

Introduction

As Commissioner, I am the Accounting Officer and I am therefore required to submit an annual revenue budget (the Estimate) to Welsh Ministers under paragraph 9(2) of Schedule 1 of the Commissioner for Older People (Wales) Act 2006 (the Act). The Estimate sets out the estimated expenditure on a resource basis and the cash financing that will be needed from the Welsh Government for me to discharge my statutory functions.

Since the establishment of my office in 2008, I have been able to retain and independently manage reserves. These reserves have played an important role within my overall financial management approach and have been integral to maintaining my current organisational structure and the successful delivery of my Strategic Plan. They enabled me to manage risk effectively, ensured business continuity and the ability to deliver against my statutory duties when faced with unforeseen and unforeseeable issues.

During 2021-22, in line with other public bodies including the other Commissioner bodies, the Welsh Government have transitioned my office to resource budgeting, which has removed my ability to independently manage and utilise my reserves. This means that I can no longer independently manage medium-term financial risks and will rely upon the Welsh Government to provide additional funding as required.

The Estimate for 2022-23 has been disclosed on a resource and cash basis within Appendix A. I have also provided an indicative resource and cash requirement for future years to facilitate the Welsh Government's budgetary planning process.

My remit as Commissioner

As set out in the Commissioner for Older People (Wales) Act 2006, which established the role, the Commissioner's remit is to:

- Promote awareness of the interests of older people in Wales and of the need to safeguard those interests
- Promote the provision of opportunities for, and the elimination of discrimination against, older people in Wales
- Encourage best practice in the treatment of older people in Wales
- Keep under review the adequacy and effectiveness of law affecting the interests of older people in Wales.

How I am effectively utilising my 2021-22 funding allocation

The pandemic has had a significant impact on older people throughout Wales, and has highlighted the need for a range of action to support older people's recovery and deliver longer-term change to improve their lives, as set out in my Leave No-one Behind report and Manifesto for the 2021 Senedd Election.

Playing my part to drive and deliver change for older people, I have been taking forward an extensive programme of work during 2021-22, focusing on my three key priorities, as well as protecting and promoting older people's rights:

Stopping the abuse of older people

- Improving support services for people experiencing or at risk of abuse, and raising awareness amongst professionals, including training for public bodies.
- Leading partnership work with the Stopping Abuse Action Group, including:
 - Influencing the Welsh Government National Action Plan to prevent the abuse of older people.
 - Work to empower and enable older people to share their experiences.
 - Research into the experiences of older men at risk of or experiencing abuse.
 - Developing work on older people living with dementia and their carers affected by abuse

Enabling everyone to age well

- Working with partners to ensure older people have support to rebuild or regain their health and well-being, as we transition through the pandemic.
- Leading work with partners throughout Wales to make communities more age-friendly, including supporting local authorities to apply for World Health Organisation recognition for age-friendly communities.
- Championing digital inclusion amongst older people, promoting good practice and issuing guidance to public bodies to ensure older people who are not online can access the information and support they may need.

Ending ageism and age discrimination

- Training for older people and professionals to empower them to recognise and challenge ageism.
- Challenging examples of ageism and age discrimination, including the way older people are portrayed in the media.
- Working with partners – including international partners – to tackle ageist attitudes in society and promote solidarity between generations.

Protecting and promoting older people's rights

- Taking action with partners in Wales and across the UK to improve the rights of older people living in care homes.

- Developing work that will seek to address the evidence gap on the specific issues faced by older people in Black Asian and Minority Ethnic communities by carrying out research and making recommendations for action.
- Exploring how the process and practice of Advance Care Planning could be improved so older people feel fully involved in decisions about their future healthcare needs, and have their wishes recognised and respected.
- Continuing work with the UK network of key partner organisations I established in 2020 to ensure that older people's rights are protected and promoted, and collectively drive change.

I have also published my State of The Nation 2021 report, which brings together a wide range of data, evidence and research to provide a detailed overview of people's experiences of growing older in Wales and assess how things have changed since the publication of the last State of the Nation Report in October 2019.

My team and I continue to monitor and scrutinise the action and decisions being taken by the Welsh Government and other public bodies, and influence policy and practice at a national and local level.

Engagement with older people also remains a key focus for me and my team during 2021-22, to ensure that their voices, insight and experiences guide my work.

Advice and Assistance

My powers under the Commissioner for Older People (Wales) Act 2006 allow me to provide assistance and support directly to older people, which is delivered through my advice and assistance team, that consists of 1.8 FTE members of staff with additional line management support. The team provides information, assistance and guidance to empower older people and their families and help them to understand and claim their rights.

The support provided enables older people and their families to challenge the decision-making and practice of public bodies and services and the team are able to navigate what are often complex systems, policies and processes, often in the most difficult and distressing of circumstances. In some cases, the team intervenes on behalf of an older person (subject to their consent).

Whilst older people and their families contact my office about a wide range of matters, historically, the most common issues relate to health services, housing, care and safeguarding and abuse.

Case numbers, with comparisons for previous years, are set out below and highlight a further increase in the number of people seeking help, support or information from me.

2018-19	418
2019-20	563
2020-21	643
2021-22 (to 30/09)	293

Whilst the team have effectively dealt with the increase in the volume and complexity of enquiries received, resources continue to be stretched and other members of the wider team have had to provide support, which has impacted on other core deliverables. I have also developed an evidence base and identified areas where the advice and assistance service could be further improved. However, unless additional recurrent budgetary resource is provided by the Welsh Government, I will not be able to implement these plans and continue to effectively support the growing number of older people within Wales.

Appendix A

Annual Estimate 2022-25

Revenue budget

Description	Estimate 2022-23 (£)	Estimate 2023-24*(£)	Estimate 2024-25*(£)
Expenditure:			
Employment costs ²	1,220,000	1,261,000	1,292,000
Accommodation expenses ³	145,000	147,000	149,000
IT equipment and maintenance ⁶	75,000	87,000	80,000
Professional Fees and services ⁸	67,000	69,000	70,000
Other running costs ⁹	26,000	24,000	28,000
Depreciation/ amortisation ⁷	18,000	16,000	15,000
Work Programme ¹⁰	80,000	80,000	80,000
Additional Work Programme funding ¹¹	43,000	tbc	tbc
Total Resource Expenditure	1,674,000	1,684,000	1,714,000

*Indicative figures only

Cash budget

Description	Estimate 2022-23 (£)	Estimate 2023-24* (£)	Estimate 2024-25* (£)
Expenditure:			
Employment costs ²	1,220,000	1,261,000	1,292,000
Accommodation expenses ³	145,000	147,000	149,000
IT equipment and maintenance ⁶	75,000	87,000	80,000
Professional Fees and services ⁸	67,000	69,000	70,000
Other running costs ⁹	26,000	24,000	28,000
Work Programme ¹⁰	80,000	80,000	80,000
Additional work programme funding	43,000	tbc	tbc
Capital Expenditure	10,000 ⁶	200,000 ³	0
Release of dilapidation provision ⁴	-	88,000	-
Cash Requirement	1,666,000	1,956,000	1,699,000

*Indicative figures only

Notes:

1 Inflation

The Consumer Prices Index 12-month inflation rate in September 2021 was 3.1%.

Over the past 18 months cost savings on areas such as travel, and printing have been realised as my team and I have been unable to engage with older people in person. These savings have been used to absorb any inflationary pressures that have occurred. However, as my expenditure returns to pre-pandemic levels, I will no longer be able to continue to absorb these inflationary pressures.

My budget has not been increased to account for inflation since 2016 and inflation has averaged 2.7% per year. This equates to a real-terms reduction in spending power of 10% over the past five years. Whilst according to the Wales Fiscal Analysis undertaken by the Wales Governance Centre, over the same period the Welsh Government resource budget has increased in real terms by 6% and is forecast to increase in 2022-23 in real terms by 2.1%.

This Estimate demonstrates that it is no longer sustainable for my funding to remain at its current level. I have reviewed my medium-term financial plan and identified savings where possible; however, I have calculated that for the organisation to remain stable and continue to protect and promote older people's rights and deliver impactful change, I require an increase to my baseline budget.

2 Employment costs

Being able to retain and recruit experienced staff is essential to ensure that my work continues to remain impactful for older people.

Since 2017, the WTE number of staff employed by my office has averaged 20.57 and is currently 20.64 people. Staff costs make up 75% of my overall expenditure and costs have historically increased by an average of 3% per year, due to factors such as cost-of-living increases and incremental band rises. Previously, I have been able to absorb these cost pressures into my static funding allocation and manage the risk of any possible overspend against Welsh Government allocation through the utilisation of my reserves, however this is not going to be manageable over the long term.

As my funding allocation has not increased since 2016 and I can no longer retain or use reserves, I am no longer in a position to maintain my current organisation structure. If my recurrent funding allocation is not increased, I will be forced to review and decrease the number of staff that I employ, which will have a significant impact on my ability to deliver my strategic priorities.

For budgeting purposes only, an assumption has been made to allow for an annual 2% pay inflation award within employment costs for 2021-22 onwards. The final increase will depend on inflation and cost of living awards made by comparable bodies, the outcome will create further pressure on the budget. To note, the salary

pay-points that I can afford to offer to staff are lower than Welsh Government and other Commissioner bodies.

Central Government's recent announcement regarding an increase in employer's national insurance contributions of 1.25% has increased my overall wage bill by an average of £10,000 per year, which has been absorbed into my funding but is creating further pressures on my budget.

3 Accommodation expenses

Accommodation and office expenses include expenditure on rent, service charge, rates, security, utilities, and insurance.

Due to a reduction of funding in 2016-17, the previous Commissioner reduced expenditure through an in-depth review of the organisation's structure and operating model; one of the primary effects of this review was a reduction in staff from a WTE of 28.26 employees in 2015-16 to 19.40 in 2016-17, my WTE staffing levels have averaged 20.57 since 2017. This sustained reduction in staff has naturally led to a reduction in the amount of office space that is required.

During the early stages of 2020, I reviewed my current office provision and future office requirements and I concluded that I could relinquish 25% of my current accommodation footprint and commit to a longer-term lease in order to realise significant cost savings.

However, Covid-19 enforced a change in working practice as all members of staff are now working from home. This enforced change made me review and reconsider the original proposal. In October 2020, My Business Management Team and I, supported by my Audit and Risk Assurance Committee, decided that it would not be in the organisation's best interest to make a commitment to a long-term office lease or terminate the lease entirely without having a sufficient evidence base regarding working practices on which to decide.

In September 2021, I launched a period of staff consultation on a new hybrid working policy. It is anticipated that the formal launch of this policy will lead to a permanent decrease in the number of staff who routinely use our office space.

During 2022, I will identify evidence on which to develop a business case that will outline our future accommodation requirements and the future space required. This business case will justify the initial investment and evidence how a return on investment will be achieved through the realisation of savings on rent, service charge and rates over a five-year period.

Basing an estimate on a budget provided by Quantity Surveyors in 2020, I anticipate that the office move will cost approximately £200,000 including professional fees and any taxes that fall due. I will formally request approval of cash and non-cash funding from the Welsh Government in 2022-23 for 2023-24 onwards.

4 Dilapidation of lease

Within my Statement of Financial Position, I have established a provision for a dilapidation charge relating to my lease in Cambrian Buildings. This provision will crystallise in August 2023. Whilst I do not anticipate requiring resource budget for this dilapidation provision, I will require the additional GIA cash resource of £88,000 from the Welsh Government.

5 The impact of 'IFRS 16 – Leases' on the Commissioner's Estimate submission

In January 2016, IFRS 16 – Leases was issued, and is effective for annual periods beginning on or after 1 April 2022. I have one material operating lease for accommodation that could be affected by the introduction of this standard. As the outstanding contractual balance payable on this lease will not be material at 31 March 2023, I am not planning on transitioning to this standard in April 2022. However, once my new accommodation lease has been negotiated it will be treated in accordance with IFRS16.

6 IT equipment and maintenance

Over the past year I have been reviewing and investing in strengthening the organisation's cyber resilience. This investment, that will be ongoing, has come at a significant cost and my 2021-22 forecast IT spend is forecast to be £76,000, which is 23% higher than in 2020-21. In order for me to sufficiently safeguard my IT infrastructure from the significantly increased threat of cyber-attacks, I anticipate that IT costs will continue to increase and be a significant pressure on my budget.

I have a medium-term IT plan that will sustain existing systems into the future on an urgent and essential maintenance and replacement basis and is based on critical business need and increasing IT and data security requirements.

I continually invest in upgrading the ICT infrastructure, ensuring that the systems remain efficient and resilient to external threats. In line with a review by my IT provider, I have been advised to replace the existing server in 2022-23 and deploy a cloud-based server solution. These capitalised costs have been recognised within the cash budget table in Appendix A and these costs have been amortised over a five-year period.

During 2020-21, my ICT systems have been independently verified and assurances have been provided that the systems comply with the Cyber Essentials Plus Scheme, they will be reassessed early 2022.

7 Website

I have also reviewed my website and concluded that it needs to be redesigned in order to comply fully with the Public Sector Bodies (Websites and Mobile Applications) (No. 2) Accessibility Regulations 2018.

Welsh Government have provided the Capital budget for this work and have approved the amortisation resource budget of £11,000 per year until March 2027 to

undertake this essential work. The amortisation is recognised within depreciation/ amortisation costs in the revenue budget table on page 6.

8 Professional Fees and services

This heading includes expenditure on professionals who have specialist knowledge and skills that I do not retain in-house.

Historically, professional fees expenditure, particularly legal fees, have fluctuated. This is because, as in previous years, I will be required to act upon any unplanned, urgent, and important matters that are brought to my attention. This budget area also includes more stable lines of expenditure such as audit fees, translation costs and political and media monitoring. I have forecast a stable budget over the medium term with any overspends being funded by savings realised in other budget areas.

9 Other running costs

Other running costs include office consumables such as printing, telephones, stationery and postage. I have adopted a prudent approach for the procurement of office consumables and will continue to look for efficiencies in this area.

I maximise the use of the National Procurement Service contracts where it is practical to do so.

10 Work programme

After reviewing the previous expenditure related to the delivery of my work programme, I have identified that I will require £80,000 per year for its continued delivery. This budget will allow me to continue to gather evidence, undertake research and publish and promote findings and guidance. I will allocate the budget to work on a discretionary basis and it will be used to discharge my statutory duties and support the delivery of my Strategic Plan.

11 Additional work programme funding

- **Research into the experiences of older men at risk of, or experiencing, domestic abuse**

I am in the process of commissioning research that will examine older men's experiences of domestic abuse and the barriers that may prevent them from seeking help and support within Wales

This work has been listed on Sell2Wales with a budget of £36,000. Due to identified budgetary pressures, in 2022-23 I would welcome the opportunity to request additional resource budget for 2022-23 to fund 50% of this research and, if necessary, I can submit a separate proposal supporting this budgetary claim.

- **Research into the lived experiences of older people from BAME communities in Wales.**

I am currently planning an area of work to better understand the lived experience of growing older in Wales from the perspective of older people from Black, Asian and

Minority Ethnic communities. I want to celebrate the positive aspects as well as understand the issues that affect their lives and highlight any areas where change may be required.

This evidence base will lead me to develop work that will seek to address the evidence gap on the specific issues faced by older people in Black, Asian and Minority Ethnic communities by carrying out specific research and making recommendations for action.

As detailed above, I would welcome the opportunity to request additional resource budget for 2022-23 to fund this research and, if necessary, I can submit a separate proposal supporting this budgetary claim. I have included a budget of £25,000 for 2022-23 for this work.