



**Older People's Commissioner for Wales**  
**Comisiynydd Pobl Hŷn Cymru**

# **Older People's Commissioner for Wales Financial Plan**

## **2018-21**

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# 1. My role as Commissioner

- 1.1. The Older People's Commissioner for Wales is an independent voice and champion for older people in Wales, standing up and speaking out on their behalf.
- 1.2. As Commissioner, I am the Accounting Officer and I am required to submit an annual budget (the Estimate) to Welsh Ministers under paragraph 9(2) of Schedule 1 to the Commissioner for Older People (Wales) Act 2006 (the Act). It sets out the estimated expenditure on a resource basis and the net cash financing that will be needed from the Welsh Government for me to discharge the statutory functions of Commissioner.
- 1.3. The Commissioner's functions are laid down in the Act. It enables me to:
  - Promote awareness of the rights and interests of older people in Wales.
  - Challenge discriminations against older people in Wales.
  - Encourage best practice in the treatment of older people in Wales.
  - Review the law affecting the interests of older people in Wales.
- 1.4. My work is driven by what older people, and those who care for and support them, say matters to them. On-going, direct engagement with older people and with those who represent and support them, ensures that my work reflects the issues that matter most and has an impact upon the lives of those aged 60 or over in Wales. I also undertake specific research that gives voice directly to older people so that their experiences are at the heart of my priorities as Commissioner and the decision making of others.
- 1.5. I do all of this to ensure that older people's voices are heard and that the issues that matter to them are addressed. My aim is to secure positive, beneficial and meaningful change for older people throughout Wales.

## 2. What has the Commissioner achieved so far?

2.1. My Impact and Reach Report for 2016-17 'Changing Practice, Changing Lives' was published and presented to older people on 12 June 2017.

2.2. This report details the work that was undertaken during 2016-17. In delivering against my Framework for Action, I:

- Met with 168 groups throughout Wales, travelling over 18,000 miles to reach out to more than 4,300 older people;
- Issued formal guidance to Public Services Boards to support the development of local wellbeing plans to ensure they will deliver for older people and reflect older people's needs, wishes and circumstances;
- Gathered evidence from stakeholders about older people's experiences of accessing and using Independent Professional Advocacy;
- Developed an information booklet and factsheets to provide older people with information about their rights under the Social Services and Well-being (Wales) Act 2014;
- Published 'GP Services in Wales: The Perspective of Older People' report, which looked at older people's experiences of accessing and using GP services in Wales;
- Followed-up on work linked to my Review into the quality of life and care of older people living in care homes in Wales;
- Followed-up on work linked to my 'Dementia: more than just memory loss' report, including feedback to regional partnership boards and practical resources to support improvements to service delivery;

- Delivered safeguarding seminars for professionals to raise awareness and grow knowledge and understanding of the scale and impact of the abuse faced by older people;
- Responded to contacts made by 372 older people, their families and carers, helping them by providing individual support or advice; often when no-one else could help;
- Offered training seminars for Local Authority staff on undertaking effective equality and human rights impact assessments;
- Worked jointly with the Children's Commissioner for Wales to promote the benefits of intergenerational projects and develop an online resources hub;
- Worked in partnership to focus on developing Age Friendly and Dementia Friendly Communities delivered through the Ageing Well in Wales Programme; and
- Worked in partnership to focus on learning and employment opportunities delivered through the Ageing Well in Wales Programme.

2.3. I have also worked in partnership with other public service bodies, as well as national and local government, to grow Wales' understanding of the issues that matter to older people and the changes that are required.

2.4. In order to promote good practice across the key sectors that work with and for older people, I have supported a number of organisations by sponsoring awards that recognise the invaluable contribution made by outstanding individuals. During 2016-17, I was pleased to sponsor the following awards:

- Royal College of Nursing in Wales Nurse of the Year Awards – Older People's Commissioner for Wales Award
- Wales Care Awards (in association with Care Forum Wales) – Dignity in Care Award.

- 2.5. I have provided information, advice and useful resources to older people and those who care for and support them at a wide range of national and regional conferences and community events across Wales.
- 2.6. I have responded to a number of consultations to ensure that the issues that matter to older people are reflected across the breadth of Welsh Government portfolios, policies, strategies and legislation.
- 2.7. More detail can be found in my Impact and Reach Report 'Changing Practice, Changing Lives'; copies are available on my website.

[Impact and Reach](#) Report 2016-17

### 3. What difference does the Commissioner aim to make?

- 3.1. My Framework for Action 2013-2017 clearly outlines my priorities, the changes I expect to see in Wales, and how I will drive forward improvements in older people's lives, helping make Wales a good place to grow older, not just for some, but for everyone.
- 3.2. The five priority areas identified by older people are highlighted below:

Priority One	Embedding the wellbeing of older people at the heart of public service
Priority Two	Driving up the quality of – and availability and access to – health and social care
Priority Three	Protecting and improving community services, facilities and infrastructure
Priority Four	Standing up for older people who are at risk of harm and ensuring that they are safeguarded and protected
Priority Five	Tackling prejudice, inequality and discrimination

- 3.3. In 2016-17, I illustrated how I am able to track my expenditure against these priority areas. An illustration for 2017-18 is included in Appendix C. Whilst this can never be an exact science, I believe it provides a more meaningful picture of how I spend the funding made available to me than through standard subjective budget code headings.
- 3.4. My term of office will end in June 2018. Whilst I have not designed a full Work Programme for 2018-19, there will be a number of pieces of work that will be continued by the new Commissioner and will require funding. I have ensured that there is sufficient budget available for the new Commissioner

to be able to determine part of the work programme for 2018-19:

**Advocacy workshops** – Following on from the Access to Advocacy project, in which I undertook research into older people's experiences of accessing and using Independent Professional Advocacy services in Wales, I will be delivering a series of events throughout Wales, supported by learning materials, which will take forward the learning and any recommendations made in the report to support the use of independent advocacy in professional practice.

**Follow up to the Care Home Review** – I will be delivering a series of seminars for professionals to roll out good practice focusing on alternatives to the use of antipsychotics in care homes.

A review will be undertaken of the human rights issues that have not been included within the current development of legislation for the regulation and inspection of care homes in Wales. These issues include reablement for care home residents and the promotion of continence in terms of independence and dignity.

**Follow up to Safeguarding in Hospitals** – I am currently undertaking qualitative research of how hospitals are responding to their new safeguarding duties under the Social Services and Wellbeing Act. Alongside publishing my findings in an advisory report, I will be delivering seminars to share these findings and to promote best practise to healthcare professionals across Wales.

**Rethinking Respite** – Work will continue on the publication of the 'Rethinking Respite' report, followed by the development and publication of a toolkit for commissioners working in the health profession and Local Authorities throughout Wales. These resources will also be promoted through a series of events aimed at driving cultural change, to assist commissioners in 'rethinking respite' as something that can sustain and maintain the physical, intellectual emotional and social wellbeing of people living with dementia as well as their carers.



**Ageing Well in Wales** – Phase Two of the Ageing Well in Wales Programme will continue throughout 2018-19, with national partners - including the Welsh Government, Local Authorities, the voluntary sector and Police and Crime Commissioners – delivering on a range of commitments to deliver change and improvements under the five key Ageing Well themes (Age-friendly communities, dementia supportive communities, falls prevention, loneliness and isolation, opportunities for learning and employment).

Work will continue to build and support the growing Ageing Well in Wales network. The network brings together individuals and communities with public, private and voluntary sectors to develop and promote innovative and practical ways to improve the lives and wellbeing of older people in Wales.

As well as continuing to share good practice and organise networking and learning events throughout Wales, the programme will work with partners to develop practical guides, tools and resources to support community-led initiatives throughout Wales, and to challenge negative and outdated stereotypes about older people.

**Influencing Policy, Legislation and Practice** - In order to ensure that the voices of and experiences of older people are fully considered when policies are being developed and delivered, I will continue to undertake detailed scrutiny of a wide range of policy, legislation and practice, with a particular focus on protecting and promoting older people's rights and strengthening the law to ensure they have equality and parity with other age groups.

This work will allow me to influence the decisions made by Welsh Cabinet Secretaries and Ministers, Welsh Government Officials and Assembly Members to ensure that policy and practice reflects older people's needs and delivers positive outcomes.

**Casework support for older people** – I will continue to provide direct assistance to older people and their families across Wales, in line with my legal powers under the Commissioner for Older People (Wales) Act 2006, intervening

in cases where support is required to challenge the decision making and practice of public bodies.

**Engagement with older people** – My team and I will continue to travel the length and breadth of Wales to engage with a diverse range of older people and ensure that their voices continue to guide and shape my work. This engagement will also ensure that older people know about my role, work and priorities, and the ways in which I can provide direct support through my casework team.

In addition, I will continue to engage with older people through a wide range of more formal older people's groups and organisations.

3.5. The structure of the Framework for Action lays out the context of each priority area, the changes I expect to see for older people, evidence of that change that I will look for, as well as the part I will play, as Commissioner, in achieving that change. More detail is available within the Framework for Action which is available on my website

[Framework for Action](#)

## Using the resources wisely

- 3.6. This budget, submitted to Welsh Ministers under paragraph 9(2) of Schedule 1 to the Act, sets out the resources required to discharge my statutory functions and the associated net cash financing that is estimated will be needed from the Welsh Government.
- 3.7. The Estimate for 2018-19 is included within Appendix A. An indicative resource requirement for future years has also been highlighted to support both my medium term financial planning and facilitate the Welsh Government budgetary planning process past 2019-20 - this is included in Appendix B.
- 3.8. I lead a management team of two Directors and 18 other staff. My work is predominantly delivered by these staff. Occasionally I will contract with external providers who have the relevant skills and expertise required; this is usually to undertake research in a specific area this is undertaken in compliance with my standing orders in relation to my Ordering Goods and Services procedures.
- 3.9. Further information on the resources expended by my office is available in the Annual Accounts which are published on my website [www.olderpeoplewales.com](http://www.olderpeoplewales.com).

## Scrutiny

- 3.10. Taxpayers, and in particular older people in Wales, must have confidence that the resources made available to me are used in the best way (economically, efficiently and effectively). I want to demonstrate the effectiveness of my organisation and the impact made from the money I receive. I set out how I achieve this in my annual Impact and Reach Report.
- 3.11. I am funded by, but am operationally independent of, Welsh Ministers and am accountable to the National Assembly for Wales for the use of resources made available to me.
- 3.12. I have established an Audit and Risk Assurance Committee (ARAC) to support me, as Accounting Officer, in monitoring and reviewing financial management, corporate governance, risk management and internal control systems.

The Committee meets quarterly with me, my Directors and internal and external auditors; it consists of four appointed members and both my Internal and External auditors. My internal auditors undertake a review of the Committee's performance every two years as part of a continuous process of learning and no issues of concern have been raised.

3.13. Each year I am required to formally present an Annual Report of my activities to the First Minister for Wales. My work is also subject to scrutiny by the Wales Audit Office (WAO) and National Assembly Committees and has to date been considered as part of plenary debate in the Senedd. There have been no significant issues raised.

3.14. My Annual Accounts are audited by the WAO. Unqualified opinions have been given by the Auditor General for Wales in relation to all periods of account since establishment in 2008-09 through to 2016-17 and no issues of concern have been raised in the Annual Management Letters.

3.15. My internal auditors have never raised any significant issues, and any recommendations are acted upon.

3.16. My Audit and Risk Assurance Committee undertakes an annual review of both internal and external audit and is satisfied with the performance of both.

### **Measuring performance and impact**

3.17. I am working within a complex and changing operating environment. Most public services are facing a growth in demand for their services and increasing financial challenges; my organisation is not immune from those pressures.

3.18. I am able to demonstrate effectively what my work achieves for older people in Wales by ensuring that:

- my work continues to be driven by what older people, including those whose voices are not always heard, tell me matters most to them;
- my work is relevant to ALL older people across Wales, inclusive of location, race, gender, language, disability, sexual orientation, religion or belief;

- my work uses the skills, knowledge and experience of older people to both support other older people and to drive forward change;
- I work in partnership with others across the public and third sectors to drive forward change in the lives of older people;
- I am ambitious, bold, challenging and independent, but also strongly supportive of those who are working to improve the lives of older people in Wales.

3.19. Every year I will continue to publish an annual 'Impact and Reach' report, which will form the heart of my statutory Annual Report. This will be presented to older people at an annual meeting.

### **Responding to financial pressures**

3.20. When the organisation was formed in 2008, a three year funding allocation was agreed by the Welsh Government of £5million with £1.8million allocated in 2010-11 indicating the net cash funding requirement for a fully operational organisation. This knowledge of the 3 year funding enabled me to develop a rolling medium term financial plan, which I have worked within since taking up post as Commissioner.

3.21. In 2015 Welsh Government ceased providing a future year indicative budget. This made future forecasting both more complex and critical within my medium term financial planning process. This required me to work on a range of assumptions and adjust my management of reserves accordingly to ensure that I would be able to respond to any future reduction in funding. Despite this challenge, by operating within a medium term financial plan, which is updated on a rolling basis and discussed with my ARAC, I have been able to manage the risks associated with a lack of future indicative budgets and crystallised budget reductions without undermining the discharge of my statutory duties.

3.22. In its notification of budget for 2018-19, the Welsh Government has now reinstated a future indicative budget, albeit for one year. Whilst this is helpful in terms of enabling me to effectively plan one year to another and ensure that activities linked to my statutory functions can be sustained from one year to the next, including the follow up of recommendations made in prior years, it is less than ideal.

The full return to a three year indicative budget would assist significantly in the management of risk.

3.23. Returning to a medium term funding plan that supports a three year strategic planning period is something that I would encourage the Welsh Government to consider and adopt as it now has done for other public sector bodies.

3.24. I have not been immune to the impact of austerity measures as my funding during 2016-17 was reduced to £1.543million. Whilst I recognise the significant pressures that face the public sector, even though I had been mitigating the risk of a reduction of my allocation through my medium term financial plan, the severity of the reduction was not consistent with funding for the wider Health & Social Care arena.

3.25. I have, however, successfully managed to make efficiencies, through a root and branch review of the organisation's structure and operating model.

3.26. I have taken action to ensure that the most efficient and effective controls are in place to manage financial expenditure. This includes, but is not limited to:

- **Restructuring of staff roles**

Following on from the preparation of the original estimate submission for 2016-17, it became apparent that I was required to look again at the most effective organisational structure required to deliver priorities for the years ahead and my allocation of resources across staff and non-staff budgets.

During 2015-16, I therefore undertook an additional restructuring exercise with five explicit aims:

- Amalgamation of specific duties, whilst ensuring essential functions are retained;
- Aligning the focus of my work to ensure that I can influence policy and good practice in Wales;
- Retaining a degree of proportionality in my work across my five priorities and continuing to build

upon my engagement with older people and my work in respect of Ageing Well in Wales, Equality and Human Rights and Advocacy;

- Ensuring that good quality and efficient governance arrangements continue to be in place;
- Ensuring that pay and reward policies enable the recruitment and retention of staff with the skills, knowledge and experience required whilst reducing the upper thresholds of my upper pay bands.

3.27. The net effect of this was to increase, in future years, my levels of non-fixed costs against my fixed cost base, which gave me greater flexibility as to the methods by which I discharge my duties. This was key to enabling me to manage the risks presented by the move from a three year indicative budget to a single year budget notification and allocation. It meant, in effect, that I could continue to operate and deliver against my Framework for Action if my allocation was reduced.

3.28. Having undergone a significant restructure in 2016, there is unlikely to be further efficiencies to be released from staff costs, and any further reduction in staff numbers would require me to apply to the Welsh Government for redundancy costs.

- **Collaboration with other organisations**

I consult with key stakeholders and partners in other public sector and third sector organisations to avoid duplicating the work of others.

I have also identified opportunities to pool resources, people and money, when appropriate, and work together with partner organisations to deliver shared objectives. These include:

- the Ageing Well in Wales Programme partnership;
- working with Age Cymru on the national campaign to tackle scams and on the gathering of evidence from those affected by dementia;
- working with the WAO in respect of the independence of older people in Wales; and

- working with the Children's Commissioner for Wales to promote the benefits of intergenerational projects.

I have encouraged my staff to work with those in other organisations to ensure that good practice is shared and opportunities for collaboration are maximised.

I also work closely with the Public Services Ombudsman for Wales, Children's Commissioner, Welsh Language Commissioner and Future Generations Commissioner. This collaborative approach was already underway, but has gathered momentum following the recommendations of the Public Accounts Committee, published in March 2015. Examples include joint procurement of internal audit services, joint best practise workshops and sharing of meeting rooms and hot-desking arrangements across all our sites in Wales.

I will also play my part as a publically funded body in considering the shared service options being considered by the wider public sector in Wales. I am supportive of a cohesive approach if this provides me with the same standards of financial control I currently have in place and releases cash efficiencies that I can allocate to other priorities and does not jeopardise either my operational effectiveness and independence or the discharge of my wider statutory duties.

- **Reporting and monitoring of expenditure**

Regular budget holder meetings take place to ensure the rigorous monitoring and review of budgets, expenditure and understanding and control of variances. As a result of an on-going effectiveness review in recent years, I have made improvements to my financial systems to strengthen reporting and monitoring.

Every year, my internal auditors review the arrangements in the key area of budgetary control as part of their work programme to ensure both compliance and best practise.



- **Role of internal and external auditors**

All internal and external audit reports are discussed in full with my Audit and Risk Assurance Committee as is compliance with action contained therein. No substantial issues have been raised in any internal or external audit reports with full compliance in relation to any recommended action.

Internal Audit has consistently provided assurance that I have a sound system of internal control in place, which should provide substantial assurance regarding the achievement of my priorities.

The WAO, my external auditors, have not highlighted any control weaknesses in the preparation of my Annual Accounts or in the way in which I make use of resources.

## 4. Identification and management of risks

### Attitude to risk

- 4.1. Good financial planning requires a clear vision, set objectives, identification and assessment of risks and opportunities and determination of priorities. There are, of course, uncertainties involved in any budget and planning process, even for a single year and that increases as the period lengthens.
- 4.2. Risk management is integral to the operation of my organisation and is set out in the Governance Statement within my Annual Accounts. My governance framework includes three sources of assurance:
  - An Audit and Risk Assurance Committee
  - An internal audit provider
  - A Strategic Management Team
- 4.3. My risk management processes identify and manage risks that affect my work, look equally at the opportunities that might arise, and put in place controls and mitigating actions to help protect the organisation from the consequences of risk.
- 4.4. As part of good corporate governance, I have in place a sound basis for integrated risk management and internal control.
- 4.5. A positive approach to risk management means that I not only look at the risk of things going wrong, but also the impact of not taking opportunities or not capitalising on corporate strengths. This enables me to:
  - promote an innovative, less risk averse culture in which the taking of calculated and managed risks in pursuit of opportunities to benefit my objectives is encouraged and managed;
  - maximise the performance of the organisation by informing and strengthening decision making and planning;
  - ensure a safe environment for staff to work in.

- 4.6. All staff within my office have specified responsibilities for risk management and internal controls in order to achieve their set individual objectives and hence my overall aims and priorities.
- 4.7. I recognise that there are inherent risks faced by the organisation which, if ignored, would seriously impact on my ability to meet my strategic priorities. These corporate risks are discussed with my Directors, internal audit, external audit and the Audit and Risk Assurance Committee, with significant risks escalated to the Audit and Risk Assurance Committee in real time. This included consideration of reputational risk, political risk and financial risk and a summary is included in the Governance Statement of my Annual Accounts.
- 4.8. The risk policy has been updated and internal audit will be looking at risk as part of their internal audit programme.
- 4.9. This document, however, focuses mainly on my assessment of key financial risks and the action I am taking to manage those risks.

### **Financial risk assessment**

- 4.10. The resources available to me are limited and in order to progress towards my objectives I, like other publically funded organisations, need to prioritise spending plans for 2018-19.
- 4.11. The significant financial risks for me to manage in 2018-19 and future years are set out below:

- **Perception of ineffectiveness**

It is vital that I am able to demonstrate and articulate the difference the role of Commissioner makes to the lives of older people. I aim to ensure that my work reflects what older people in Wales want. This may not always equate to what other people and organisations expect from me. I am required to raise an awareness of my role. I will therefore continue to invest in my Engagement Roadshow and make available information about my role and my work e.g. publication of reports, attendance at key events, improvements to my website and use of social media. My Impact and Reach report will act as the main

source of information about the work that I do that aims to deliver against the outcomes older people told me they wanted from their Commissioner and formed the basis of my Framework for Action.

- **Business continuity planning across year ends/ availability of cash balances for future years**

In 2017-18, I will be able to meet all my recurrent obligations from my annual cash allocation of £1.543M.

I have previously agreed with the Welsh Government that any unutilised cash balances at the end of 2017-18 will be carried forward to support activities in 2018-21, in line with my medium term financial plan.

4.12. I aim to manage these financial risks by:

- reporting on the impact of my work in an open and transparent way and engaging with stakeholders;
- reviewing my decision making and planning processes to identify further efficiencies; using internal audit and the Audit and Risk Assurance Committee to provide scrutiny about effectiveness;
- exploring with other publically funded bodies and third sector organisations, where appropriate, any opportunities to work together to pool resources, people, places and funding;
- integrating further risk management and internal controls as part of good corporate governance; promoting a culture of more innovative and less risk averse ways of working.

## 5. Conclusion

- 5.1. This Estimate has been prepared recognising the continued financial pressures that the public sector in Wales and the citizens of Wales are facing. I am seeking £1.543million net cash funding for 2018-19 and will continue to allocate prudently these resources to priorities identified by older people.
- 5.2. The achievements made by me and my staff in the last six years have been set against a very challenging operating environment where increasing demands have been placed on the resources available to me as Commissioner.
- 5.3. Nonetheless, it is becoming more and more challenging to continue to operate as effectively as I would like in order to meet the needs of the most vulnerable older people.
- 5.4. In preparing the estimate for 2018-19, I have:
  - i. looked at all non-staff cost budgets and am satisfied that there is little scope for further efficiencies to be made from these budget headings.

I am committed to using the National Procurement Service (NPS), where practicable, with the aim of achieving value for money in non-staff cost budgets.

- ii. budgeted for incremental pay increases for staff where these contractually apply.

Staff costs make up the highest proportion of my expenditure and being able to retain and recruit quality staff to deliver the priorities in current and future the Framework for Action is vitally important.

My budget estimate has included a pay award of 1%. It is my view that I will not be able to increase this percentage without reducing my overall staff numbers and cost base.

## Appendix A Annual Estimate 2018-19

I am required to submit an annual Estimate to Welsh Ministers under paragraph 9(2) of Schedule 1 to the Commissioner for Older People (Wales) Act 2006. It sets out the resources required to discharge my statutory functions and the associated net cash financing that is estimated will be needed from the Welsh Government.

Welsh Ministers are required to then lay the Estimate, with or without modifications, before the National Assembly for Wales in accordance with paragraph 9(3) of Schedule 1 to the Commissioner for Older People (Wales) Act.

The 2018-19 Estimate for the Older People's Commissioner is set out below:

<b>Description</b>	<b>Estimate 2018-19 (£)</b>
Employment costs	<b>1,145,000</b>
Accommodation	142,000
Office expenses	25,000
IT expenses	60,000
Communications & Engagement	44,000
Other running costs	63,000
Programme	165,000
<b>Total Expenditure</b>	<b>1,644,000</b>
Less:	
Use of cash balance b/f	99,000
Non cash movement	2,000
<b>Net cash requirement</b>	<b>1,543,000</b>

## Notes:

### **Employment costs**

The Commissioner currently employs 20 staff. The Commissioner has also appointed four Audit and Risk Assurance Committee members; their costs are included under this heading. Employment costs also include all expenditure on training, travel expenses, DBS checks, recruitment expenses and employers NI and pension contributions.

A cost of living award of 1% was paid to staff in 2016-17, in line with other publically funded bodies in Wales. In 2017-18, incremental increases have been awarded as these were set out in contractual agreements. For budgeting purposes only, an assumption has been made to allow for a 1% pay inflation award in 2017-18, but this has not yet been decided upon, pending the allocation agreement. Pay inflation for future years has been identified as a key financial risk in the main body of this report.

The Commissioner's own pay is set by Welsh Ministers; a two year cost of living award was made in 2015-16. For budgeting purposes only an indicative inflationary increase of 1% has been included for future years.

### **Accommodation and office expenses**

Accommodation and office expenses include expenditure on rent, rates, security, utilities, stationery and insurance. The Commissioner has adopted a prudent approach for the procurement of office consumables and will continue to look for efficiencies in this area. The Commissioner maximises the use of the National Procurement Service contracts where it is practical to do so.

The Commissioner signed a new lease agreement the term of which is five years from 5 August 2018 to 4 August 2023; there is an option to break the lease in August 2021.

The April 2017 forecast for 2017 Consumer Price Index is 2.6% and 2.2% for Retail Price Index; April CPI rose by 0.3%. The Commissioner will monitor the impact of any future inflationary price fluctuations and absorb any additional cost pressures that arise.

## **ICT equipment and maintenance**

The Commissioner has a medium term ICT plan that will sustain existing systems into the future on an urgent and essential maintenance and replacement basis. The Commissioner receives no separate capital allocation and funding is met from the main cash allocation.

During 2016-18, the Commissioner has invested heavily in upgrading her IT infrastructure. These costs will be depreciated over the following five years.

A rolling programme of pc hardware replacement over the next 1-5 years is in place and is based on critical business need and the increasing ICT and data security requirements.

Revenue costs include warranties and licence renewals for both software and hardware, the cost of the ICT maintenance SLA, PSBA Broadband SLA and separate SLA for the Commissioner's records management database.

## **Communications and engagement**

One of the functions within the Act is to promote awareness of the interests of older people in Wales. Expenditure on communications and engagement is therefore critical to reach older people across Wales in order for the Commissioner to provide promptly the most appropriate assistance.

## **Other running costs**

Other running costs would include expenditure on audit fees, translation costs, legal fees as well as depreciation and amortisation costs. The Commissioner maximises the use of the National Procurement Service contracts where it is practical to do so.

Included within other running costs are contributions to awards promoting excellence in practice for those working with older people.

## **Programmes**

Additional expenditure will be incurred on a non-recurrent basis to gather evidence, undertake research and publish findings and guidance. This is allocated on a discretionary basis by the Commissioner and is explained fully in the Commissioner's Framework for Action and annual Work Programme.



**Non cash movement**

This relates to those costs where there is a charge to the expenditure account but no cash payment e.g. movement on creditors and debtors, as well as depreciation and amortisation charges.

**Cash balances**

The working assumption is that any unutilised cash balances at the end of 2017-18 will be carried forward to support activities in 2018-21.

## Appendix B Financial Plan 2018-21

### 2018-21 Financial Plans

Description *Indicative figures only	Estimate 2018-19 (£)	Estimate 2019-20* (£)	Estimate 2020-21* (£)
<b>Expenditure:</b>			
Employment costs	1,144,000	1,119,000	1,070,000
Accommodation	142,000	144,000	147,000
Office expenses	25,000	26,000	26,000
IT expenses	60,000	60,000	71,000
Communications & Engagement	44,000	45,000	44,000
Other running costs	63,000	61,000	60,000
Programme	165,000	115,000	115,000
<b>Total Expenditure</b>	<b>1,644,000</b>	<b>1,570,000</b>	<b>1,533,000</b>
Less:			
Use of cash balance b/f	99,000	27,000	(7,000)
Non cash movement	2,000	0	(3,000)
<b>Net cash requirement</b>	<b>1,543,000</b>	<b>1,543,000</b>	<b>1,543,000</b>

## Impact on reserves

As an Accounting Officer, I am responsible for the prudent and proper use of the public monies given to the Older People's Commissioner for Wales by the National Assembly for Wales. As part of my overall approach to the prudent and proper use of these monies, I established, upon appointment, a rolling three year financial plan that was aligned to and underpinned my published priorities, the implementation of which reflected the discharge of my statutory duties.

Reserves have an important role to play within my overall financial management approach, enabling me to manage risk effectively and ensure business continuity and continuation of my ability to deliver against my statutory duties when faced with unforeseen and unforeseeable issues, either of a financial or service nature.

The table below demonstrates my projected reserve balances for the current year and the next three years.

	<b>2017-18 (£)</b>	<b>2018-19 (£)</b>	<b>2019-20 (£)</b>	<b>2020-21 (£)</b>
<b>Opening reserve balance</b>	300,000	182,000	81,000	54,000
<b>(Over)/Under Spend</b>	(118,000)	(101,000)	(27,000)	10,000
<b>Closing reserve balance</b>	182,000	81,000	54,000	64,000

I have identified three specific reasons for which reserves need to be held:

- For the general financial and business stability of the organisation (the General Reserve), in particular the need to be able to respond to unforeseeable operating costs and, more importantly, to act upon any unplanned urgent and important matters brought to my attention. Such additional costs are likely to be associated with legal proceedings and additional staff resources, but are also very difficult to quantify.
- For specific risks identified and included within the Corporate Risk Register and providing financial security against those risks. These are included within my medium term financial plan as there is a certainty or high degree of certainty of them crystallising.

- For strategic financial planning, allowing me to accrue funds for more significant planned expenditure in the longer term. This is important as it reflects the need for pieces of work to span financial year ends.

The overall level of reserves that I hold will fluctuate depending upon my published work programme and a range of operational issues, for example lease termination dates. However, it is not anticipated that the level of general reserves will fluctuate significantly beyond £80k. The planned level of reserves is formally included within each annual medium term financial plan, which is shared with the Audit and Risk Assurance Committee and the Internal and External auditors.

## Appendix C Allocation of 2017-18 funding

The chart below details expenditure against the priority areas set out in my Framework for Action. The intention is to provide a more meaningful picture of how I spend the funding made available to me than through standard financial reporting headings required for the Annual Accounts:



