

**National Assembly for Wales**  
Finance Committee

Report on the Public Sector Ombudsman for  
Wales' Estimates for 2013-14

November 2012



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## Finance Committee

The Committee was established on 22 June 2011. The Finance Committee's role is to carry out the functions set out in Standing Order 19. This includes consideration of the use of resources by the Assembly Commission or Welsh Ministers, and in particular reporting during the annual budget round. The Committee may also consider any other matter relating to expenditure from the Welsh Consolidated Fund.

### Current Committee membership



**Jocelyn Davies (Chair)**  
Plaid Cymru  
South Wales East



**Peter Black**  
Welsh Liberal Democrats  
South Wales West



**Christine Chapman**  
Welsh Labour  
Cynon Valley



**Paul Davies**  
Welsh Conservatives  
Preseli Pembrokeshire



**Mike Hedges**  
Welsh Labour  
Swansea East



**Ann Jones**  
Welsh Labour  
Vale of Clwyd



**Julie Morgan**  
Welsh Labour  
Cardiff North



**Ieuan Wyn Jones**  
Plaid Cymru  
Ynys Môn

# **Finance Committee: Report on the Public Sector Ombudsman for Wales' Estimates for 2013-14**

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This report should be read in conjunction with the chair's letter to the Ombudsman. We have also produced an annexe setting out background information on the committee and this inquiry.

## **1. The sufficiency of the Ombudsman's overall estimates for 2013-2014**

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### **The Ombudsman's overall estimates for 2013-2014**

- 1) The Ombudsman's written evidence detailed that he was estimating a 2.5% increase in cash terms (equating to a standstill in real terms) for 2013-2014. This amounts to a net cash requirement of £4,060,000 for 2013-14.
- 2) We questioned why the Ombudsman had used figures released as part of 2010 Spending review rather than the latest Budget 2012. He explained this was because this was the second year of a three-year budget plan, based on the 2010 figures. While we follow the logic, we would prefer to see the most up-to-date figures used in future.

### **Future planning**

- 3) Changes to legislation, in particular the planned Social Services Bill, are likely to result in an increased workload for the Ombudsman. The Ombudsman's Estimates includes the employment of an additional investigator to cope with this increase.
- 4) The three changes outlined by the Ombudsman are:
  - a) Extending the Ombudsman's jurisdiction so that people who pay for their own care (domiciliary or residential) can complain to the Ombudsman. At present, only those who have their care paid for can complain.
  - b) Changes to the social services statutory complaints process to bring it in line with the process for health complaints.
  - c) End-of-life care complaints will fall under the Ombudsman's jurisdiction.

5) The Ombudsman estimates – based on the experience in England, these changes could result in 25 additional investigations a year.

6) Committee considered the estimated additional workload, and the extra staffing resource allocated to deal with it to be reasonable.

### **Risk**

7) Committee were concerned about the lack of provision for rises in staff pay, both in 2013-14 and in future years. Staff salaries and related costs account for two thirds of the ombudsman's annual expenditure.

8) Mr Tyndall said that as salaries paid by his office were tied to local government scales he did not anticipate large rises. He said:

“It would be unreasonable to come to you on the presumption that there might be, say, 2.5% pay increases over each of the next several years. In the current fiscal climate, that does not seem likely. We have tried to make a realistic judgement. However, there is a risk if the unforeseeable happens.”<sup>1</sup>

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<sup>1</sup> ROP, Finance Committee, 3 October 2012

## 2. Prioritisation

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### Doing more with less

9) We were impressed by the way the Ombudsman has streamlined the process of considering complaints, reducing the standard three stage process to just two stages.

10) Peter Tyndall said:

“Most Ombudsman offices have three stages in the consideration of each complaint that goes through to a full investigation. There is a process at which the complaint is received and checked; there is a process in which it is assessed to see if it is suitable for investigation; and then there is a process in which it is investigated. My office has two stages, so that the business of receiving the complaint and determining whether to investigate it is undertaken within a single team and generally within 28 days.”<sup>2</sup>

11) We were also pleased to hear that this new process has attracted admiring glances from other ombudsmen around the globe. Peter Tyndall said:

“I should say that we have had people from ombudsman schemes not just in the UK and Ireland, but from around the world, coming to see the way we have structured our investigation process, because the streamlining that we have achieved is something that other people are now looking to take on board.”<sup>3</sup>

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<sup>2</sup> ROP, Finance Committee, 3 October 2012

<sup>3</sup> ROP, Finance Committee, 3 October 2012

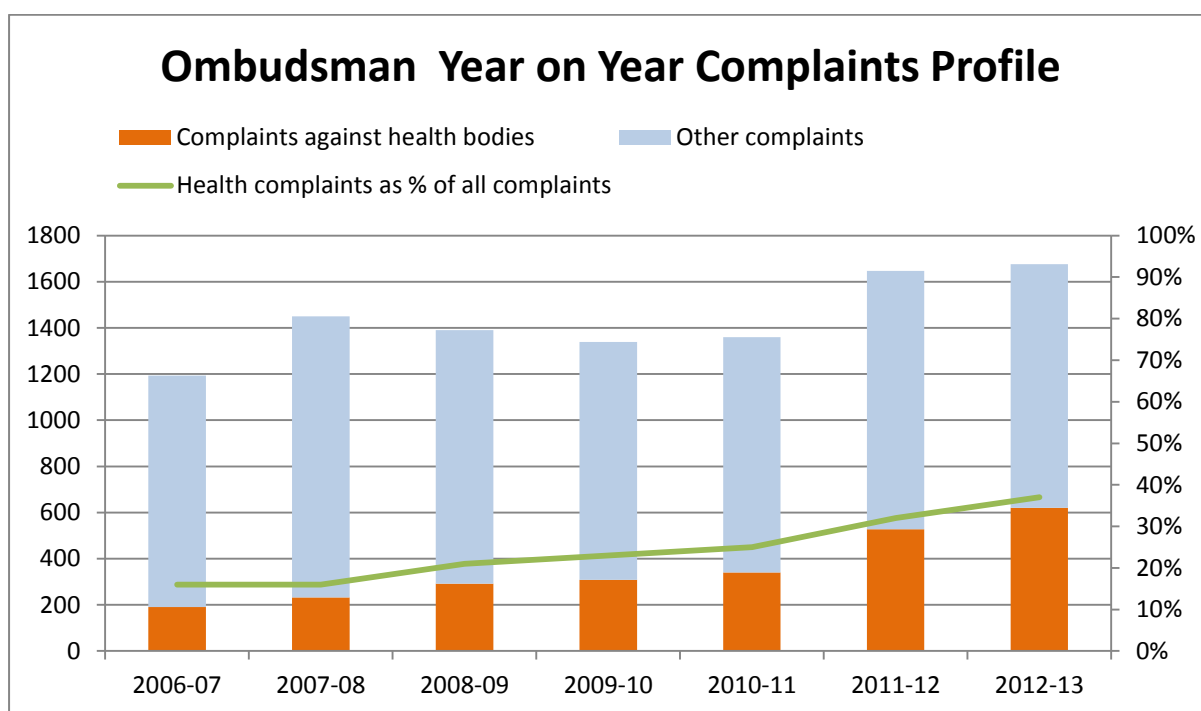
## Rising numbers of complaints

12) Committee was concerned at the ability of the Ombudsman to deal with an increasing number of complaints. The rise is particularly sharp in health, which has increased by 300% over seven years.

13) Susan Hudson told us:

“The complaints we are getting about sectors such as local government, social housing and so on remain pretty much at a constant level; it is only the health complaints that have experienced a sharp rise. It represented some 37% of our caseload last year; previously it was 25% and when the office was in its early days it represented only 15% of our caseload.”<sup>4</sup>

14) The Ombudsman agreed to provide committee with a note<sup>5</sup> which included the relevant statistics. From this, we have produced the graph below. The figures for 2012-13 are an estimate based on the latest available data.



<sup>4</sup> ROP, Finance Committee, 3 October 2012

<sup>5</sup> Note to Committee

<http://www.senedd.assemblywales.org/documents/s10552/Response%20to%20action%20point%20-%20PSO.pdf>



### 3. Process and presentation

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15) Committee welcomed the further improvement in the presentation of the Ombudsman's estimates, and urged the office to carry on with this work.

16) It also questioned the ombudsman on implementation of recommendations from its most recent audit.

17) Mr Tyndall told us that the one medium recommendation was being implemented, and would be completed later this year. The remaining recommendations, he said, were "nice to do" rather than essential – but were also being worked through.

18) Mr Tyndall told the committee:

“We are partway through implementation. The reason we are partway through is because my financial adviser, Malcolm Macdonald, will retire at the end of this financial year, and we want to ensure that Malcolm and his successor are engaged in finalising the documentation of the spreadsheets, but the work is in hand.”<sup>6</sup>

19) We commend the Ombudsman on the progress to date with regard to the presentation of his estimates, but we would urge him to continue this work to ensure his annual estimates are presented in as clear and transparent way as possible.

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<sup>6</sup> ROP, Finance Committee, 3 October 2012

Peter Tyndall  
Public Services Ombudsman for Wales  
1 Ffordd yr Hen Gae  
Pencoed  
Bridgend  
CF35 5LJ

Dear Peter,

On behalf of the Finance Committee I would like to welcome the Public Service Ombudsman's estimates for 2013-2014.

The estimates, as presented to the committee felt planned and considered. They were presented in a transparent way that allowed us to do our job of scrutiny. There was a strong awareness of risks, and a real sense of an organisation succeeding at doing more with less. We urge the Ombudsman to continue to work to improve the transparency of his reporting, for example by publishing year-on-year statistics about inquiries and complaints.

We were also pleased to hear that innovation introduced by the ombudsman – a streamlined system to deal with cases more efficiently and effectively – is drawing admiring glances from other organisations wrestling similar issues of rising workload and flat resources. It is a textbook example of a public service provider succeeding in doing more with less.

We consider the Ombudsman's estimates for the 2013-2014 financial year to be both reasonable and acceptable. We intend to lay the Ombudsman's estimates for the 2013-2014 financial year without any modification.

I would like to thank both our witnesses, and my fellow Committee Members, for their contributions throughout our scrutiny of the Public Service Ombudsman for Wales' estimates for 2013-2014.

A handwritten signature in black ink, appearing to read 'Jocelyn Davies', written in a cursive style.

**Jocelyn Davies**

**Chair, Finance Committee**

## Finance Committee: PSOW background information

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### Who are we?

1. The Finance Committee is a cross party committee of the National Assembly for Wales, made up of Members from all four political parties represented at the Assembly.
2. The Committee is not part of the Welsh Government. Rather, the Committee is responsible for reporting on proposals laid before the Assembly by Welsh Ministers relating to the use of resources. The committee can also consider and report on any other matter related to, or affecting, expenditure out of the Welsh Consolidated Fund.

### What is the Public Service Ombudsman for Wales?

3. The Public Service Ombudsman for Wales (PSOW) describes his role:

“I have legal powers to look into complaints about public services in Wales. I also investigate complaints that members of local government bodies have broken their authority's code of conduct. I am independent of all government bodies.”<sup>1</sup>

### What are the Public Service Ombudsman for Wales estimates?

4. The Public Services Ombudsman for Wales (PSOW) produces estimates for each financial year in accordance with the *Public Services Ombudsman (Wales) Act 2005*, as amended by the *Government of Wales Act 2006*. The estimates are required to set out the resources required for the Ombudsman to carry out his statutory functions, with the exception of the Ombudsman's own salary (and associated costs) which are directly charged on the Welsh Consolidated Fund.
5. Standing Order 20.23 sets out that:

“The Ombudsman must submit the estimate of income and expenses required under paragraph 15 of Schedule 1 to the Public Services Ombudsman (Wales) Act 2005 to the responsible committee as soon as practicable but in any event no later than 1 November in each financial year.”

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<sup>1</sup> Text from the Ombudsman's website. <http://www.ombudsman-wales.org.uk/en/about-us.aspx>

6. The Ombudsman's estimates for 2013-14 were actually provided to the Finance Committee on 25 September.

7. The Finance Committee is responsible for reporting on this draft budget, with Standing Order 20.24 setting out that:

"The responsible committee must consider and lay before the Assembly, no later than 22 November, the estimate, with any modifications which the Committee, having consulted and taken into account any representations made by the Ombudsman, considers appropriate."

### **How did we scrutinise this draft budget?**

8. We considered the Public Service Ombudsman's estimates for 2013-2014 at our meeting of 3 October 2012.

9. At this meeting we took evidence from:

- Peter Tyndall, Public Service Ombudsman for Wales
- Susan Hudson, Policy & Communications Manager
- Malcolm MacDonald, Financial Adviser.

10. Following the meeting the Chair of the Finance Committee wrote to the Public Service Ombudsman for Wales with some further questions which arose from the oral evidence given in the meeting. The Public Service Ombudsman for Wales responded to these on 8 October.

### **Witnesses**

11. The following witnesses provided oral evidence to the Committee on the dates noted below. Transcripts of all oral evidence sessions can be viewed in full at

<http://www.senedd.assemblywales.org/mgCommitteeDetails.aspx?ID=229>

#### *3 October 2012*

Peter Tyndall	Public Service Ombudsman for Wales
Susan Hudson	Policy and Communications Manager for the Public Service Ombudsman for Wales
Malcolm MacDonald	Financial Adviser for the Public Service Ombudsman for Wales