

National Assembly for Wales
Finance Committee

**Public Sector Ombudsman for
Wales' Estimates for 2014-15**

October 2013



Cynulliad
Cenedlaethol
Cymru

National
Assembly for
Wales

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Information on the Committee, its membership, its remit and previous publications can be found at: **www.senedd.assemblywales.org/mgCommitteeDetails.aspx?ID=229**

A list of witnesses and oral and written evidence of relevance to this report is available at:
<http://www.senedd.assemblywales.org/mgIssueHistoryHome.aspx?Id=5722>

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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



Simon Thomas
Plaid Cymru
Mid and West Wales

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Chair's foreword

On behalf of the Finance Committee I would like to welcome the Public Service Ombudsman's estimates for 2014-2015.

The estimates have been presented to us with exemplary clarity and transparency.

We were impressed by the Ombudsman's year on year ability to absorb ever growing numbers of complaints without significant increases in his costs.

The Ombudsman has indicated that he is likely to return with a supplementary budget later in the year to fund pension scheme liabilities. Given the circumstances, this seems entirely appropriate, and we look forward to seeing the details of that in due course.

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 2014-2015.

1. Introduction

Who are we?

1. The Finance Committee is a cross party committee of the National Assembly for Wales, made up of Members from all 4 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 are the Public Service Ombudsman for Wales estimates?

3. 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.
4. 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.”

5. The Ombudsman's estimates for 2014-15 were provided to the Finance Committee on 3 October 2013.
6. 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.”¹

How did we scrutinise Public Service Ombudsman for Wales estimates?

7. We considered the Public Service Ombudsman for Wales estimates at our meeting of 3 October 2013.

8. At this meeting we took evidence from:

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

¹ National Assembly for Wales, Standing Orders of the National Assembly for Wales

2. The sufficiency of the Ombudsman's overall estimates for 2014-2015

The Ombudsman's overall estimates for 2014-2015

9. The Ombudsman's written evidence detailed that he was estimating a 2.5% increase in cash terms for 2014-15. This amounts to a net cash requirement of £102,000 for 2014-15

10. The Ombudsman explained to the Committee how he produced the figures for his estimate against the Welsh block:

“The Welsh block figures we used in calculating the estimate last year were the ones that we took and compared with the Welsh block figure that we obtained from the Welsh Government for the coming financial year, and we then based our estimate on that. Clearly, there is movement on the Welsh block through the year, but we have taken a snapshot of the block at the same time as we took it last year and then based the estimate on the difference between the two. We were satisfied by the explanation put forward by the Ombudsman on how he reached his estimates.”²

Sufficiency of the estimates to meet the Ombudsman's statutory obligations

11. The Ombudsman provides a demand lead service, which can make the level of work difficult to predict. We felt that the approach taken by the Ombudsman to estimating his budget was appropriate, and welcome that additional planning has been made in light of the forthcoming Social Services and Well Being legislation and likely increased workload.

12. We felt that the proposed budget was realistic and prudent in the current climate, and we welcomed the clear evidence provided by the Ombudsman both in his written evidence and at Committee.

Future Planning

13. The Ombudsman told the Committee that recruitment was underway for an additional staff member to deal with the anticipated increase in work relating to Social Services, and that they anticipated

² Para 169, Finance Committee Record of Proceeding 3 October

recruiting a further staff member at the start of the financial year. This recruitment seems proportional to the increasing work of the Ombudsman, and we acknowledge that there may be a need to further review funding for staffing later in the year.

3. Prioritisation & Value for Money

Health Complaints

14. The Ombudsman expressed concern at the levels of health complaints his office received, despite the provisions made in the NHS redress measure 2008. He said that:

“First of all, despite the changes that have been brought about through ‘Putting Things Right’, people still have the old mind-set about accepting liability. So, no matter how often you repeat that saying sorry does not mean saying you accept that you are liable for damages, people are still reluctant to say it and to say it at the point when it would be most meaningful, when the complaint arises.”³

15. As a Committee, we were interested to hear the evidence from the Ombudsman regarding how his office had been working with health boards to address complaints properly in the first instance such as issuing annual letters, and holding annual meetings to consider what has happened during the previous year.. In particular, we support the Ombudsman’s assertion that the role of independent directors must be to investigate complaints fully, and to not just accept at face value the claims of clinicians. We share the concerns of the Ombudsman that there is no single point for all health complaints, and recognise the difficulties that this can present.

16. We welcome this example of preventative spending – working proactively with health boards to deal with complaints at source - which should help to keep down the number of complaints being brought to the Ombudsman.

17. The Committee were concerned that there were still ongoing issues with health service complaints despite the provisions made in the NHS redress Measure 2008. We believe that one way to slow the rapid increase in complaints to the Ombudsman would be for other organisations to ensure complaints are handled appropriately in the first instance.

³ Para 203 Finance Committee Record of Proceedings, 3 October 2013

18. We consider the Ombudsman has managed the level of complaints very well, especially given the restraints on his budget. We welcome his positive approach to helping other organisations to improve their complaint procedures and processes.

Vexatious Complaints

19. The Committee expressed concern about vexatious complainants adding to the workload of the Ombudsman's office. It was suggested that there should be consideration given to adopting a policy of naming and shaming such complainants as a potential method of deterrence. The Ombudsman undertook to give this some further consideration alongside the existing policy for how to address unacceptable actions.

4. Budgetary and financial processes

20. In his written evidence, the Ombudsman stated that his staff are members of the Principal Civil Service Pension Scheme (PCSPS). However, some employees employed before the Ombudsman's office was set up are still members of Cardiff County Council local government pension scheme. This scheme is in deficit and payments to make up this deficit appear in the Ombudsman's budget. He commented that:

"The Scheme funding position has deteriorated since 31 March 2010 primarily due to deterioration in financial conditions (which has affected actual investment returns since 31 March 2010 as well as expected returns in the future). This has been partially offset by pay increases being lower than expected and shortfall contributions paid since 31 March 2010. The Scheme Actuary estimates that an additional payment of £149k is needed to get back on track but the actual rates for 2014/15 will not be finalised until March 2014 although preliminary results from the 2013 valuation should be available around the middle of November."⁴

21. The Committee noted the Ombudsman's intention to bring forward a supplementary budget during the year to meet the deficit in the Cardiff County Council local government pension scheme, and that discussions were already underway with the Welsh Government about this.

22. Given the uncertainty around the levels of complaints arising from the forthcoming legislative changes for Social Services, the Committee would expect the Ombudsman to consider staffing resources at the point of submitting a supplementary budget. We would also expect him to consider whether any rise in complaints would be sustained in the longer term, when calculating the need for additional staff.

⁴ Public Services Ombudsman for Wales: *Estimate for the Financial Year 2014-15*, 3 October 2013 (para 7.3)

Witnesses

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

www.senedd.assemblywales.org/mgIssueHistoryHome.aspx?Id=1243

3 October 2013

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

List of written evidence

The following people and organisations provided written evidence to the Committee. All written evidence can be viewed in full at www.senedd.assemblywales.org/ieListDocuments.aspx?CId=229&MId=1791&Ver=4

<i>Organisation</i>	<i>Reference</i>
Peter Tyndall Public Service Ombudsman for Wales	FIN(4)-15-13 Paper 3