

CYNULLIAD CENEDLAETHOL CYMRU

ADRODDIAD GAN Y PWYLLGOR CYLLID

Adroddiad ar amcangyfrifon Ombwdsmon Gwasanaethau Cyhoeddus Cymru ar incwm a gwariant am y Flwyddyn yn diweddu 31 Mawrth 2009

Cefndir :

1. Mae Rheol Sefydlog 27 yn nodi:

Ombwdsmon

27.15 Rhaid i'r Ombwdsmon gyflwyno'r amcangyfrif o incwm a gwariant sy'n ofynnol o dan baragraff 15 o atodlen 1 i Ddeddf Ombwdsmon Gwasanaethau Cyhoeddus (Cymru) 2005 i'r Pwyllgor Cyllid cyn gynted ag y bo'n ymarferol ond heb fod yn hwyrach na 1 Tachwedd ym mhob blwyddyn ariannol beth bynnag.

27.16 Rhaid i'r Pwyllgor Cyllid ystyried yr amcangyfrif a'i osod gerbron y Cynulliad, heb fod yn hwyrach na 22 Tachwedd, gydag unrhyw ddiwygiadau sy'n briodol ym marn y Pwyllgor, ar ôl iddo ymgynghori â'r Ombwdsmon a chymryd i ystyriaeth unrhyw sylwadau a gyflwynwyd ganddo.

2. Cyflwynodd Ombwdsmon Gwasanaethau Cyhoeddus Cymru ei amcangyfrif o incwm a gwariant ar gyfer y Flwyddyn yn Diweddu 31 Mawrth 2009 i'r Pwyllgor Cyllid ar 10 Hydref 2007 (Atodiad A). Yr oedd y Pwyllgor yn ddiolchgar iawn fod Ombwdsmon Gwasanaethau Cyhoeddus Cymru Adam Peat wedi derbyn ei wahoddiad i drafod y gyllideb yn ei gyfarfod ar 18 Hydref.

Adroddiad

3. Trafododd y Pwyllgor y cynnydd sylweddol yn y lefel gwariant arfaethedig a oedd, hyd yn oed ar ôl addasu ar gyfer eitemau anghyffredin untro i ddarparu cymhareb eitemau tebyg i'w gilydd, yn parhau'n 11% flwyddyn ar ôl blwyddyn. Nododd y Pwyllgor hefyd yr anhawster i ragweld nifer a chymhlethdod yr achosion mewn blwyddyn a'r anhawster penodol oherwydd gwahaniaethau yn y llwyth gwaith a allai ddigwydd yn ystod y flwyddyn.

4. Gofynnodd y Pwyllgor nifer o gwestiynau yn ystod y cyfarfod. Yr oedd yr Aelodau'n gofyn am esboniad llawnach am y gostyngiad sylweddol amlwg yn yr amcangyfrifon costau pensiwn ar gyfer 2007-8 o gymharu â'r flwyddyn flaenorol. Yr oeddent hefyd yn bryderus, wrth fod y naratif yn y gyllideb yn cyfeirio at gynnydd o 3% ar gyfer costau cyflogau, fod y ffigurau yn yr atodiadau yn nodi 3.8% pan fo costau pensiwn a chostau cymdeithasol yn cael eu cynnwys a 4% ar gyfer cyflogau'n unig. Gofynasant hefyd am eglurhad am y cynnydd yn y gwariant ar gostau cyfathrebu yn 2008-9.

5. Cyflwynodd Mr Peat nodyn dilynol yn ymateb i'r materion hyn ac mae hwn i'w weld yn Atodiad B.

Casgliad

6. Yr oedd y Pwyllgor yn cydnabod y llwyth gwaith cynyddol oedd yn wynebu Ombwdsmon Gwasanaethau Cyhoeddus Cymru a'r adnoddau ychwanegol sydd eu hangen i ymateb iddo. Nododd hefyd yr angen i ymateb o fewn terfynau amser y byddai aelodau'r cyhoedd yn eu derbyn. Nododd fod costau cyflogau yn seiliedig ar lefelau a gyd-drafodwyd yn ganolog. Nododd y Pwyllgor y rhesymau a roddwyd am y cynnydd mewn costau cyfathrebu a gwariant cyfalaf a'r camau effeithiolrwydd sy'n cael eu dilyn gan yr Ombwdsmon er mwyn lleihau costau.

7. Yn gyffredinol, mynegodd y Pwyllgor ei gefnogaeth i'r gwaith sy'n cael ei wneud gan Ombwdsmon Gwasanaethau Cyhoeddus Cymru a chytuno i osod y gyllideb yr oedd yr Ombwdsmon wedi'i chyflwyno ar gyfer y flwyddyn yn diweddu 31 Mawrth 2009 heb unrhyw newidiadau.

Alun Cairns AC
Cadeirydd, Pwyllgor Cyllid

<p style="text-align: center;">Public Services Ombudsman for Wales: Estimates for the Financial Year 2008-09</p>

1. Estimate Submission

- 1.1 This estimate is submitted as required by paragraph 15 of schedule 1 of the Public Services Ombudsman (Wales) Act 2005 as amended by Government of Wales Act 2006. It sets out the resources required to discharge my statutory functions (apart from my salary, social security and pension costs, which are a direct charge on the Welsh Consolidated Fund).
- 1.2 In preparing this estimate I have been advised by the Audit Committee which I have established. The independent chair of the Committee is Laurie Pavelin CBE FCA, who has considerable knowledge and experience of public sector finance and accounting.

2. Aims and Objectives

- 2.1 My objective as the Public Services Ombudsman for Wales (PSOW) is to investigate independently and impartially complaints made by members of the public about the way they have been treated by a public body. I expect public bodies to treat people fairly, considerately and efficiently. If I uphold a complaint I will recommend appropriate redress. I also have an important role to investigate complaints that local authority members have broken the Code of Conduct.
- 2.2 I aim to provide a first class Ombudsman service to Wales by:
- (a) investigating complaints as thoroughly as necessary and as quickly as possible
 - (b) raising awareness of the Ombudsman service and making it easily accessible to potential users
 - (c) using lessons learnt from my investigations to promote good practice and good governance by public bodies.
 - (d) ensuring good governance and effective management within my office.

3. Main Activities

- 3.1 My principal activities are:
- (a) investigation of complaints of maladministration or service failure from members of the public against listed authorities as defined by

the PSOW Act. These include local authorities (including community councils), NHS bodies (including GPs), registered social landlords; the National Assembly for Wales and the bodies that it sponsors;

- (b) investigation under the Local Government Act 2000 of allegations against local authority members (including members of town and community councils) of breaches of their authority's code of conduct.

4 Service Delivery

- 4.1 The creation of the office of the Public Services Ombudsman for Wales has raised the public profile of the Ombudsman service and I have taken a number of steps to make it more accessible and user-friendly. In consequence, demand for my service is continuing to rise. During 2006/07 the number of complaints and allegations received was 1,501, which was a 4% increase on 2005/06. The level of enquiries received also rose substantially, from 948 to 1,074.
- 4.2 The projected caseload of complaints and allegations in the current year is 1,600. To date, the caseload received is running slightly ahead of forecast. I anticipate a further increase in caseload to 1,700 cases in 2008/09. Current investigative staffing levels remain substantially unchanged from 2005/06. The increased workload has begun to impact on the time taken to deal with cases. In August 2007 there were 55 uncompleted investigations on hand which were over 12 months old, compared with 23 such cases in August 2006.
- 4.3 I have made organisational changes and instituted revised processes which I believe will enable my Office to cope at existing staffing levels with the anticipated workload in 2007/08 and 2008/09 without further deterioration in service delivery times. However, I must enter a note of caution that if the caseload rises beyond that forecast, then it is possible that I may have to seek additional funding from the National Assembly for increased staffing levels to enable acceptable service delivery times to be achieved.

5 Employment Costs

- 5.1 This covers salary costs, National Insurance employer contributions and pension scheme costs. The organisational structure is:

Directors	2
Investigation Managers	3
Investigation teams	25
Investigation support	7

Executive support	2.5
Corporate support	<u>4.2</u>
Total	<u>43.7</u>

- 5.2 Salary costs, which form the major part of my expenditure, will increase in total by 3%. Staff salaries are contractually linked to the nationally negotiated local government pay spine. A 2.5% uplift to the pay spine is assumed, together with movement along pay scales for staff who have not yet reached the top of the grade which will add a further 0.5% to the pay total.
- 5.3 There are three pension schemes in operation of which the main scheme is the Principal Civil Service Pension Scheme (PCSPS). During the current financial year 5 members of staff opted to transfer to the PCSPS leaving 4 active participants in the Cardiff and Vale Local Government Pension Scheme (LGPS).
- 5.4 In 2006-07 the National Assembly met the historic deficit on the LGPS. At the start of 2007-08 the LGPS was in small surplus. This estimate makes no provision for any additional costs that may arise from the three year actuarial review that is currently being undertaken that is due to report in January 2008.
- 5.5 My Office directly meets the pensions of the former postholders as Local Government Ombudsman for Wales and any surviving dependents with ongoing pension entitlements.

6 Premises

- 6.1 The lease of the office occupied at Bocam Park Pencoed is for a ten year term and commenced in January 2005. Under that lease there are repainting obligations during the 5th year so provision will have to be included in the estimates for 2009-10. In addition in that year there will be increases in the rent arising from the 5 year rent review.

7. Computer Systems

- 7.1 Computer hardware and software are scheduled to be replaced in 2008-09 at a cost of £90k. This is in accord with the provisional figure notified last year and is in addition to the annual capital programme of £20k.

8. Professional Fees

- 8.1 This includes the costs of the internal and external professional advisors who give clinical advice in NHS cases. Clinical advice is obtained under a

service level agreement from the Parliamentary Ombudsman. Expenditure on professional fees has increased significantly in the current financial year, and a further increase in provision for 2008-09 is required for the following reasons:

- (a) to meet higher charges following a review by the Parliamentary Ombudsman. The Parliamentary Ombudsman expects to have to make significant further increases in remuneration to obtain advice from health professionals with current experience. Existing remuneration levels for her clinical advisers are well below current NHS rates;
- (b) to directly engage specialist advisors as necessary in non-NHS complaints. This is not a routine requirement but certain complaints (e.g. in the planning and social services fields) necessitate an informed judgement on issues of professional competence;
- (c) the increasing trend for allegation cases to require specialist legal advice and representation. There has also been an increase in the number of complainants who have indicated that they intend to seek judicial review of my finding.

9. Communications

- 9.1 This budget has been significantly increased for the current financial year to facilitate awareness and access by marginal and vulnerable groups to the Ombudsman service. A modest further increase in 2008-09 is proposed. I have been very pleased that such work in earlier years has contributed to the increase in activity referred to earlier in this report.

10. Income

- 10.1 This includes bank interest and other recoveries arising from the functions within the Office. I may not make any charges for undertaking investigations and it is not my policy to charge for any of my publications.

11. Efficiency Savings

- 11.1 My Office will realise significant efficiency savings in 2008-09 in dealing with the forecast caseload with no increase in the number of investigative staff.

12. Summary

- 12.1 The net resource required for the discharge of my functions in 2008-09 is £3,048,000. An analysis of this budget requirement, together with figures for earlier years is shown at Appendix 1.

ADAM PEAT
Public Services Ombudsman for Wales

3 October 2007

Appendix 1

Public Services Ombudsman for Wales Estimates 2008-09
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	Actual 2006-7	Original Estimate 2007-08	Revised Estimate 2007-08	Estimate 2008-09
	£'000	£'000	£'000	£'000
Salaries	1,236	1,359	1,359	1,413
Social security costs	106	141	141	146
Pension costs	1,868	655	355	367
	3,210	2,155	1,855	1,926
Premises	289	264	264	272
Computer systems and support	51	70	70	72
Office costs	150	212	160	172
Professional fees	134	134	150	215
Communications	54	90	90	95
Training	51	80	80	82
Travel and subsistence	31	53	53	55
Audit fee	15	15	15	15
Depreciation	99	83	95	131
Cost of capital	-15	-39	-15	5
Total administration costs	4,069	3,117	2,817	3,040
Income	-8	-8	-132	-8
Total Revenue	4,061	3,109	2,685	3,032
Capital expenditure	41	20	20	110
TOTAL	4,102	3,129	2,705	3,142
Non cash				
Depreciation and disposal of assets	-99	-83	-95	-131
Cost of capital	15	39	-5	-5
Debtor / creditor movements	129	-8	-8	42
	45	-52	-108	-94
NET CASH REQUIREMENT	4,147	3,077	2,597	3,048

Annex B

<p style="text-align: center;">Addendum to paper by Public Services Ombudsman for Wales to the National Assembly for Wales's Finance Committee on 18 October 2007 Estimates for the Financial Year 2008-09</p>

Members of the National Assembly for Wales's Finance Committee sought further information concerning three issues set out in my paper presented at the meeting held on 18 October 2007. Herewith is the information requested:

1. Pension Costs

Committee Members asked why the provision for pension costs included in the 2008-09 estimates is so much lower than the actual expenditure on pension costs in 2006-07. The reason for this is that the figures for 2006-07 were inflated by a one off settlement of the local government pension fund deficit.

As far as I can forecast the 2008-09 estimates are sufficient to cover the pension costs. However, the results of the three year actuarial review of the Local Government Pension Fund are due in January 2008. Current indications are that there will not be a significant increase in costs arising from that exercise.

2. Salary and social security costs

Committee Members asked about the difference between the 3% uplift referred to in the body of my report and the Appendix figures that showed a 4% increase. I confirm that the extra 1% is caused by the additional cost of a part time in-house translator (£14k).

3. Communications

Committee Members asked about the provision in the Estimate for communications in view of the outturn figure for 2006-07 of £54k. The outturn figure for 2006-07 was unusually low: the outturn for the preceding year had been £67k. The planned provision for 2008-09 takes account of the need to revise and reissue publicity material and explanatory leaflets when a new Ombudsman is appointed.

Adam Peat
Public Services Ombudsman for Wales
25 October 2008