

Finance Committee

Meeting Venue:
Committee Room 2 – Senedd

Meeting date:
3 October 2012

Meeting time:
09:15

Cynulliad
Cenedlaethol
Cymru

National
Assembly for
Wales



For further information please contact:

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Agenda

Private briefing (9:15 – 9:30)

1. Introductions, apologies and substitutions (9:30 – 9:35)

2. Scrutiny of Assembly Commission Draft Budget 2013–2014 (9:35 – 10:30) (Pages 1 – 26)

FIN(4) 14–12 (p1) – Assembly Commission draft budget 2013–14

Angela Burns AM, Commissioner
Claire Clancy, Chief Executive and Clerk to the Assembly
Steve O'Donoghue, Head of Assembly Resources

3. Scrutiny of Public Service Ombudsman for Wales draft estimate (10:30 – 11:25) (Pages 27 – 37)

FIN(4) 14–12 (p2) – Ombudsman for Wales draft estimate

Peter Tyndall, Ombudsman for Wales
Susan Hudson, Policy and Communications Manager
Malcolm MacDonald, Financial Adviser

4. Papers to note (Pages 38 – 39)

5. Motion under Standing Order 17.42 to resolve to exclude the public from the meeting for the following business:

Items 6 and 7.

6. Consideration of evidence received (11:25 – 12:00)

National Assembly for Wales

Assembly Commission Draft Budget
2013-14



Cynulliad
Cenedlaethol
Cymru

National
Assembly for
Wales

The National Assembly for Wales is the democratically elected body that represents the interests of Wales and its people, makes laws for Wales and holds the Welsh Government to account.

The Assembly Commissioners were elected by Members in Plenary on 25 May 2011. Along with the Presiding Officer, who chairs the Commission, the Commissioners are Peter Black AM, Angela Burns AM, Sandy Mewies AM and Rhodri Glyn Thomas AM.

The Commissioners and their role National Assembly for Wales	
Portfolio	Commissioner
Presiding Officer and Commission Chair, taking lead responsibility for Communications, and professional development for Members and their staff.	Rosemary Butler AM
Budget, governance, including Audit Committee membership. Links with the Remuneration Board. The improvement of services to Members. The Commission as the employer of Assembly staff.	Angela Burns AM
ICT, broadcasting and e-democracy. The Assembly Estate and Sustainability.	Peter Black AM
Education services, front of house, the Assembly shop, catering and security. Assembly facilities. The Commission's statutory equality functions.	Sandy Mewies AM
The Commission's Welsh language functions and policy. Legal Services and Freedom of Information (FOI).	Rhodri Glyn Thomas AM

The Fourth Assembly – related documents on our website

Commission Strategy for fourth Assembly

www.assemblywales.org/fourth_commission_strategy.pdf

Key Issues for the Fourth Assembly

www.assemblywales.org/bus-home/research/bus-assembly-publications-key-issues.htm

Assembly Commission Budget 2012–13

www.assemblywales.org/bus-home/research/bus-assembly-publications-key-issues.htm

Remuneration Board's Determination for Assembly Members

www.assemblywales.org/bus-home/research/bus-assembly-publications-key-issues.htm

Annual Report and Accounts for 2011–12

www.assemblywales.org/bus-home/research/bus-assembly-publications-key-issues.htm

National Assembly for Wales

Assembly Commission Draft Budget 2013-14



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Foreword

In preparing our draft budget for 2013-14, the Commission's aim is to ensure that the Assembly has the quality of support that it needs to make proper use of its greater law-making powers and to ensure that the aspirations of the people of Wales for the Assembly are met. We believe that the budget is an appropriate price to pay to provide support for law-making, scrutiny of Government and democratic representation.

At the beginning of the Fourth Assembly, we set out our three year spending plans to deliver our strategic aims. Those plans were supported by the Assembly's Finance Committee and the Assembly as a whole.

This year, we are maintaining the course we set within that three year plan. The draft budget for 2013-14 is exactly in line with the level we set out last year. Through leadership and careful management of our resources, we will deliver the required standard of parliamentary support for this Assembly with the same amount of money, in real terms, as was allocated to the Commission three years ago (see Annex 1).

The new constitutional position of the Assembly established following the referendum in 2011 reinforces the need for outstanding parliamentary support. This will be compromised unless the Commission secures an appropriate budget. As we set out last year, during the Fourth Assembly this approach will enable the Commission to:

- strengthen the specialist advice and services available to Members so that the scrutiny of Welsh Government policy, finance and legislation is sharper, more constructive and better informed;
- ensure that individual Members have the support they need to promote their own proposals for policy and legislative change; and
- create an environment for the Welsh public to be increasingly engaged in the work of the Assembly.

Through leadership and careful management of our resources, we will deliver parliamentary support with the same amount of money as allocated to us three years ago.

A Value for Money (VfM) programme is in place to ensure that we can demonstrate that all the public money that is spent in supporting the Assembly is money well-spent, by ensuring that resources are available and used in the most appropriate way in delivering effective services to the Assembly and the people of Wales.

In coming to our decisions on the budget strategy for the Fourth Assembly, the Commission considered the consequences of making further cuts. We rejected this as a way forward because of the likely detrimental impact on services and on contractors and their staff. Feedback from Assembly Members highlighted significant concerns with cuts that would have had an increasingly negative impact on the quality and breadth of services provided to Members, especially with regard to providing parliamentary support.

Our proposed budget will continue to maintain the same relation to the Welsh block (0.3%) as has been the case for several years. In each year of the Fourth Assembly we will spend, in real terms, less than our funding in 2010-11.

We believe this to be a prudent, balanced approach to the Commission's budget that is in the best interests of the Assembly and Wales.

Rosemary Butler,
Presiding Officer and Chair of the Assembly Commission

Angela Burns,
Commissioner

Peter Black,
Commissioner

Sandy Mewies,
Commissioner

Rhodri Glyn Thomas,
Commissioner

01. The Assembly Commission

The National Assembly for Wales is the democratically elected body that represents the interests of Wales and its people, makes laws for Wales and holds the Welsh Government to account.

The Assembly Commission serves the Assembly to help make it a strong, accessible and forward looking democratic institution and legislature that delivers effectively for the people of Wales.

The Commission's strategic focus for the Fourth Assembly is to:

– **Provide outstanding parliamentary support**

The Assembly is in a new constitutional position and we will provide fitting support to enable Assembly Members to meet the new challenges they face.

– **Engage with the people of Wales**

We will create an environment that encourages interest in the work of the Assembly and facilitates engagement in the Assembly's roles of legislating, scrutiny and representation. We will engage actively and widely, and ensure that the Assembly benefits from the creative energy generated by such engagement.

– **Promote Wales**

Acting as an ambassador for Wales in the wider world, we will make the most of opportunities in the UK and abroad to promote Wales and the work of the Assembly and play our part in the development of parliamentary democracy elsewhere in the world.

– **Use resources wisely**

We will make the necessary investments to ensure that the Assembly is fully equipped to operate effectively as a parliament with new law-making powers. At the same time, we will reinforce the confidence of Assembly Members and the people of Wales in the way we deliver services and manage costs by making good use of tax-payers' money. We will manage our resources to deliver a vital public service with improved efficiency and value for money.

The Commission will exercise its functions in accordance with statutory principles; with due regard to the principle that there should be equality of opportunity for all people; due regard to the principle of promoting sustainable development; and, so far as is both appropriate in the circumstances and reasonably practicable, that the English and Welsh languages be treated on the basis of equality.

375

**Staff of the
Assembly Commission**

5,000

**Tours given to Senedd
visitors in 2011-12**

9,000

Payments made in 2011-12

107,225

Assembly Questions

02. Cost of the National Assembly

Cost of the National Assembly in 2013-14

£49.5m

0.3%

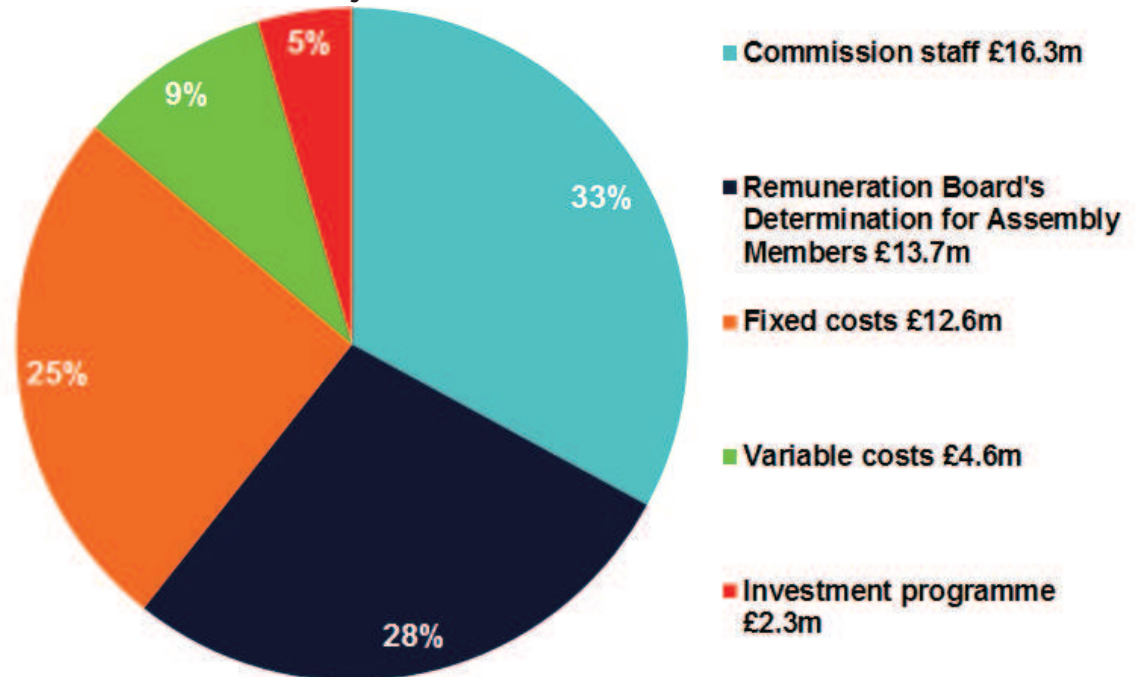
of £15 billion Welsh block

To put the Commission's budget in context, it represents 0.3% of the total funding that comes to Wales under the 'Welsh block', which is around £15 billion annually. Almost all of that money funds the delivery of public services in Wales in the light of the decisions of the Welsh Government. The Assembly's role is to scrutinise and challenge the actions and spending of the Welsh Government, make laws for Wales, and represent the interests of the people of Wales. The cost of doing this is funded by the Commission's £49.5 million budget (2013-14), which consists of:

- £13.7 million to provide the budget for the Remuneration Board's Determination for Assembly Members. The Determination sets out the funding for Assembly Members' salaries, those of their Support Staff and the costs of running their constituency/regional offices located all over Wales. Members' salaries are frozen at their 2011 level until at least 2015;
- £16.3 million to meet the costs of employing the Commission's staff;
- £19.5 million to meet investments and running costs, for the Senedd and Assembly estate, ICT and other supplies and services.

Comparator figures are available in Annex 1.

Cost of the National Assembly 2013-14 £49.5m



03. The Fourth Assembly – in progress

The three-year budget plans the Commission set out last year committed us to:

- strengthen specialist advice and services so that the scrutiny of Welsh Government policy, finance and legislation is sharper, more constructive and better informed;
- ensure that individual Members have the support they need to promote their own proposals for policy and legislative change; and
- create an environment for the people of Wales to be increasingly engaged in the work of the Assembly.

The Commission’s strategy of investment for the future, despite the difficult financial and economic backdrop, means we have been able to deliver for the Assembly without compromising the values and the quality which is important to Members. Achieving value for money through all our services is fundamental to our strategy, along with adhering to our constitutional and corporate responsibilities of ensuring that

Assembly Members are fully equipped to undertake their scrutiny, legislative and representational roles on behalf of the people of Wales.

The first year of the Fourth Assembly saw 59 plenary meetings and 209 committee meetings. There have been four Bills introduced so far in this Assembly, 18 committee inquiries had already been completed, with a further 22 underway. With one year of a five year Assembly completed, these already cover a broad cross section of subject matter.

We have supported a significant change to the Assembly’s committee structure where committees perform a dual role of undertaking inquiries and holding the Government to account by scrutinising both policy and legislation. This allows Members to develop subject specialism over time and optimises the available time and Member resource within a relatively small legislature. It also makes it easier for stakeholders to engage with committees on both legislation and policy in the subjects they have an interest.

Fourth Assembly committees are extremely active, borne out in the emerging pattern of meetings. In addition to their formal meetings, committees are making use of informal meetings and visits to inform their work. This has enabled them to hear the views and experiences of a wider range of stakeholders in locations outside Cardiff.

Committees have worked in new and innovative ways, including the establishment of task and finish groups, either to look at a subject in detail over a long period of time, or to allow a small number of committee members to be able to undertake short, tightly-focused inquiries on specific issues. Use of formal sub-committees has increased in comparison

Since May 2011...

225

Hours in Plenary meetings

209

Committee meetings

18

Committee inquiries already completed

22

Committee inquiries

with the Third Assembly with task and finish groups carrying out specific inquiries ranging from an assessment of the future of the media in Wales to proposing amendments to EU proposals to change the Common Agriculture and Fisheries Policies.

We have strengthened support for formal Assembly business through additional capacity for research and committee clerking and have enhanced arrangements for public engagement. We have improved access to specialist advice and we are better placed to provide high quality support for Members seeking to progress their own proposals for legislation. Additional resource has been put in place to strengthen services offered in terms of financial analysis and scrutiny to enable the Assembly to more effectively scrutinise Welsh Government spending proposals and costings.

Support for Committee scrutiny has been further enhanced by the increased amount of external expertise they have drawn on, with more expert advisers being appointed in 2012 to date than in any previous full year. These advisers are drawn from a range of fields, including academia and specialist organisations.

Our Pierhead Sessions programme has attracted high profile internationally renowned speakers over the past twelve months such as Dr Rowan Williams, Archbishop of Canterbury, Helen Clark, former Prime Minister of New Zealand and Noam Chomsky, renowned linguist and scholar.

A range of professional development activities has been delivered for Assembly Members and their support staff. These activities included scrutiny and questioning techniques, legislative scrutiny, speech writing and delivery, research skills, and induction for new support staff, including understanding Assembly business. Members and support staff may also be supported to obtain further qualifications where these directly contribute to the individual's roles and the strategic purposes of the Assembly. The continuous professional development programme has attracted recognition from other parliamentary bodies who are keen to replicate our approach.

We recently launched the Apprenticeship Scheme and are developing under/post-graduate placements and a more extensive secondment and job shadowing programme. This provides opportunities to bring in specialist skills for a fixed period, and enables us to learn from other organisations.

Delivery of our services is built on the foundations of good governance. This encompasses how we make decisions; how we manage budgets and performance; and how we secure assurances that our working arrangements are fit for purpose:

- for the fifth consecutive year, the Commission's Annual Report and Accounts have been given a clean bill of health by the Auditor General for Wales;
- our maturity with effective risk management practices has enabled us to simplify and rationalise our risk management framework;
- our strengthening of procurement and contract management arrangements means we are getting more from our contracts.

04. Outstanding Parliamentary Services

A key enabler for delivering outstanding service is our staff.

Our 60 Assembly Members carry a significant responsibility and privilege representing the interests of Wales and its people, making laws for Wales and holding the Welsh Government to account. The expectations of the Welsh public are high - they expect their Assembly Members to improve the lives of all who live in Wales. Members need access to high quality specialist staff and support services to enable them to meet these expectations.

Legislative programme and engagement with European issues

Last year's budget document identified two areas where there would be a need for specific resources to meet developing demands - a comprehensive and ambitious legislative programme in the wake of the Assembly's new law-making powers; and growing engagement with European Union legal issues as a result of the subsidiarity protocol of the Lisbon Treaty.

While the build-up in the legislative programme has been gradual, the flow of Bills being introduced by the Welsh Government (as well as Bills from the Assembly Commission and individual Members) is now increasing and it is clear that the number of Acts which will be passed by the Fourth Assembly will substantially exceed the 22 Measures passed by the Third Assembly. This is only part of the picture, however.

As predicted, there has been a marked development in the complexity and ambition of Assembly legislation, reflecting the comprehensive nature of the new legislative powers. The practical demands of supporting Members effectively in scrutinising legislation are growing both in volume and in sophistication, as was foreseen by the Commission at the outset of the Fourth Assembly. It is the Commission's legal duty, under the Government of Wales Act 2006, to provide the staff and services required to support the Assembly in meeting these demands.

We will ensure committees have the necessary resources to engage effectively and creatively.

The Assembly's potential for effective engagement with European issues has also been demonstrated. Assembly representations on an EU Commission proposal for a directive on procurement were adopted by the House of Commons and submitted to the EU Commission at the beginning of 2012. This contributed to a further raising of the profile of the Assembly as an effective contributor to EU decision-making as it affects Wales. The opportunities for further development of the EU dimension to the Assembly's work will inevitably multiply.

The Constitutional and Legislative Affairs Committee report on the powers granted to Welsh Ministers in UK Laws recommended that the Commission keep under review the resources available to Assembly committees to help them consider and prioritise work on Legislative Consent Memorandums.

The Commission is committed to providing the resources necessary to respond positively to all opportunities. The Commission will continue to ensure that the necessary legal, research and procedural capacity is in place to support the Assembly's growing legislative workload: in the scrutiny of government bills; in supporting individual Members and committees seeking to develop and promote their own proposals for legislation; in taking up the opportunities provided under the Lisbon Treaty in relation to subsidiarity issues.

Enhancing scrutiny

Scrutiny by Assembly Members is one of the key ways in which the Welsh Government is held accountable to the people of Wales for its policies and their implementation and whether public services are achieving desired outcomes.

The Presiding Officer has initiated changes to the way in which the plenary meetings of the Assembly operate in this regard. The opposition party leaders, for example now have a guaranteed, dedicated time each week to question the First Minister, whilst individual Assembly Members now have frequent opportunities to address the issues that matter most to them and their constituents by putting forward the topics for debate.

In committees, the increased use of expert advisers has provided an external perspective on their work and given them access to very specialist and focussed subject expertise. We will continue to build a resource of expert advisers who are able to provide a wide range of specialist skills to the committees.

The quality and range of evidence considered by committees is key to their being able to make well informed, evidence based recommendations. We are developing more innovative ways of engaging with committee work through the work of the Commission's communications staff to ensure that Members and the public benefit from the range of internal expertise we provide.

Additional resource has been put in place to strengthen services offered in terms of financial analysis and scrutiny. The key aims are to:

- Support and encourage more effective financial scrutiny of legislation and Government policy for Assembly committees;
- Undertake briefings on key areas of topical interest and developing the capacity to carry out costings of alternative spending proposals;
- Provide more resource for costing Assembly led Bills to ensure more robust methodology;
- Improve the research enquiry service in terms of coverage and depth of analyses available; and

–Provide briefings analysing key areas of Government spend and more economic/labour market information and analyses.

Strong governance and a great place to work

The Commission must balance the increasing expectations on the Assembly and its Members within its financial resources. A strong sense of stewardship of public funds and spending public money wisely exists across Assembly services. The Commission will continue in its drive for efficiencies and value for money but will not compromise on the quality of essential services the Assembly rightly needs to deliver for the people of Wales.

Looking forward, contracts for our corporate control systems covering finance and accounting, HR and payroll must be replaced and we will use this investment opportunity to re-engineer processes, integrate systems where beneficial to do so, and secure better value for money.

We have strengthened procurement governance and now want to do more to promote sustainable procurement principles – greater opportunities for SMEs, reduced environmental impact and greater use of framework contracts where appropriate.

As a Gold Standard Investor in People and ranked 20th in Stonewall’s top 100 UK employers for staff who are lesbian, gay or bisexual, we are proud to have a workforce that is passionately dedicated to serving the National Assembly.

Our budget plans ensure that we can push further – in promoting professional development for Members and staff; in using secondments and shadowing to share best practice with others; and in providing apprenticeships and parliamentary undergraduate placements for those who want this opportunity.

We have achieved many successes in promoting equalities and our new Equality Plan has created a centrally managed Access Fund to provide additional support to Assembly Members in engaging with constituents with diverse needs.

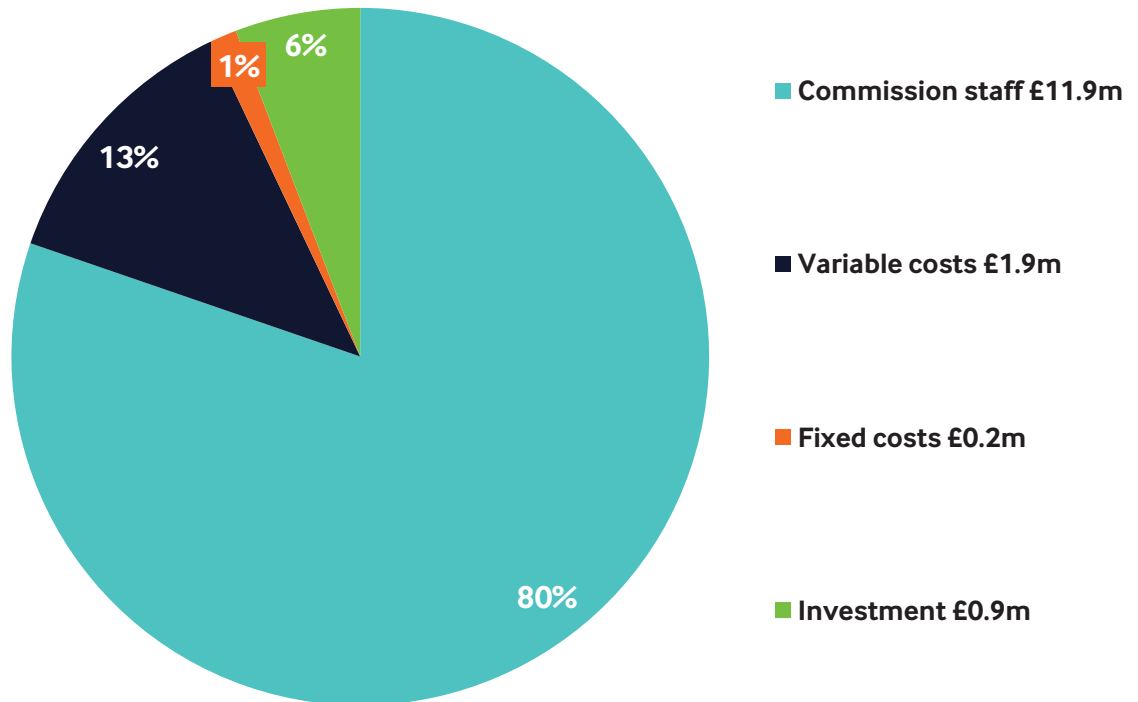
The National Assembly for Wales (Official Languages) Bill was introduced to the Assembly by the Commission on 30 January 2012 and the Assembly is expected to complete its consideration of the Bill in the autumn of 2012. The legislation will clearly place the duties of the Assembly and of the Commission, in relation to the provision of bilingual services, on a sound statutory footing.

The Commission’s Official Languages Scheme will outline the service provision underpinning the Bill, and will be considered by the Commission following the Assembly’s consideration of the Bill.

Delivery of our Value for Money Programme is being supported by advice from KPMG, to further progress our three aims of:

- Process simplification to maximise the effectiveness of Assembly services and improve our resource use;
- Maximising the benefits and cost savings from procurement and robust contract management; and
- Improving management information to better understand Assembly services' activity, costs and what drives those costs.

Outstanding Parliamentary Services 2013-14 cost £14.9m



We have achieved many successes in promoting equalities and our new Equality Plan has created a centrally managed Access Fund to provide additional support to Assembly Members in engaging with constituents with diverse needs.

05. Strategic Investment in ICT

Over

2,250,000

Assembly website pages viewed in the last 12 months

Over

275,000

Visitors to the Assembly website in the last 12 months

Over

10,000

Followers on twitter

The Assembly is known for its innovation in the use of technology to support parliamentary working. Our ICT and audio-visual infrastructure allows the citizens of Wales to engage and interact with the Assembly, whether via Senedd TV, the Assembly's comprehensive website, or by using social media.

The ICT infrastructure delivers information and essential services to over 700 users, located at the Assembly estate in Cardiff Bay and at regional and constituency offices across Wales. This complex infrastructure is maintained and supported by Atos, via the Merlin contract which we currently share with the Welsh Government. Atos is also the Assembly's main deliverer of ICT change and new systems development. The current arrangement can give rise to challenges for both the Assembly

and Atos and can make it difficult for the service to meet Members' and the Commission's needs and expectations consistently.

The Commission has negotiated an opportunity to either remain with the Welsh Government's ICT contract or begin new arrangements. The decision on future provision will be taken during 2012-13 and if this involves significant change, investment will be needed in order to achieve a successful transition. The level of change which would be required is not yet certain, but the draft budget contains a reasonable estimate.

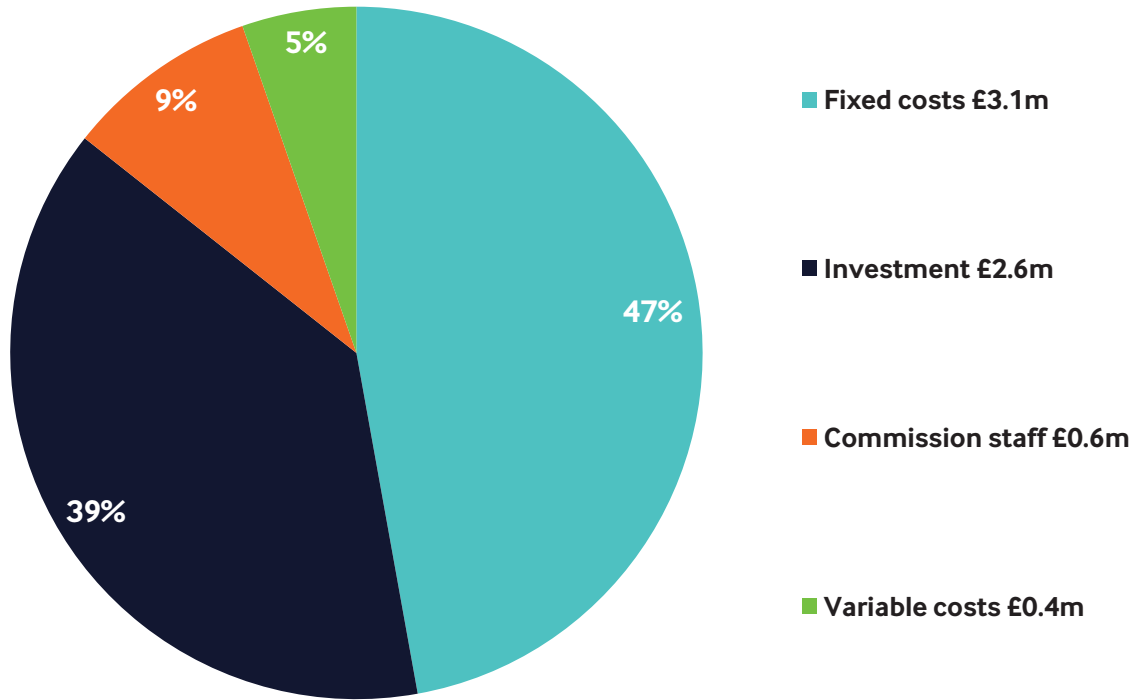
We will be enhancing our online channels such as our Twitter and Facebook profiles, and our video and images platforms flickr, vimeo and youtube. These methods complement more traditional methods of engaging the public, and increase our ability to inform a wider and different audience in our work. They are also allowing us to provide committees with consultation responses in a different format e.g. video footage from focus groups that are often considered more user-friendly and efficient by those we are engaging.

The Senedd has been operational for six years now and much of the original ICT infrastructure is approaching, or has reached, the point where it needs updating to ensure that the Assembly can continue to function effectively and efficiently. Some of this is under way. For example, work is progressing in phases to update the Siambr, Committee rooms and public areas under the Senedd refresh programme.

Finally, we are developing a Strategy that will define how we use ICT for the next 5 years and beyond. This Strategy will ensure continued alignment of future investment in ICT

with the business and engagement requirements of the Assembly, to ensure that this investment is wisely targeted and delivers benefits.

ICT 2013-14 cost £6.7m



Further essential investment will be needed in the Senedd ICT over the next three years in order to ensure that our technology infrastructure is able to better support our business needs.

06. A Venue for Wales

1.2 million

Visitors welcomed to the Senedd and Pierhead

670 events

Held annually

As an internationally recognised venue with over 1.2 million visitors to the Senedd and Pierhead to date, we provide the home for national politics in Wales. A place to engage with Welsh democracy, we must be accessible and welcoming to all, a safe and secure place to visit, and provide an experience that is second to none.

The Assembly estate is used throughout the year to host public and private events ranging from meetings, launches, conferences and exhibitions, giving a platform for Welsh talent. We provide venues for and arrange large scale celebrations, such as St David's Day and International Women's Day. We welcome visitors including Her Majesty the Queen and the UK's Prime Minister and Deputy Prime Minister. Our visitors are not only from across Wales, but from across the world. All our visitors are special – and we have welcomed, for example, Destiny Africa Children's Choir from Kampala Uganda; the President of the European Commission; His Majesty King Letsie III King of Lesotho; the President of Estonia; Ambassadors and High Commissioners from around the globe. Over 30,000 visitors are welcomed to our estate via Tŷ Hywel's reception each year. Over half of these visitors are children and young people, often arriving in large parties and engaging with our education programme based in Siambr Hywel.

We will use our new public café and shop in the Senedd to show and sell Welsh products in ways which link to the Assembly and complement its work. The bringing together of the café and shop involved some capital investment. This has already seen a significant increase in sales income and has enabled us to save staff costs.

The Pierhead helped Wales forge its identity in the late nineteenth century; today its aim is to inform, involve and inspire a new generation to forge a Wales for the future. Through our agreement with the Wales Governance Centre of Cardiff University, the Pierhead is becoming the hub for an all-Wales public policy network drawing together the country's five research intensive Universities that form the St David's Day Declaration Group: Cardiff, Swansea, Aberystwyth, Bangor and Glamorgan. This will maximise the Assembly's access to Welsh academic expertise and knowledge to inform democratic debate on questions of public policy.

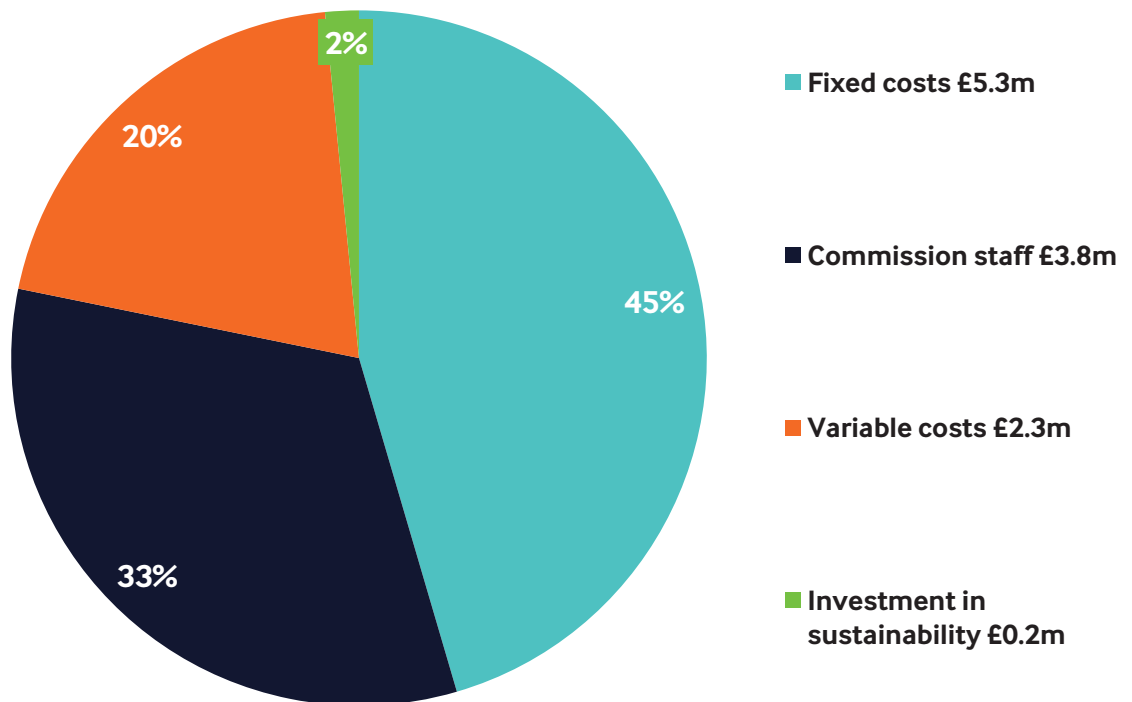
The Wales Governance Centre will provide improved support for specific programmes and inquiries of the Assembly's Committees, exploring how Assembly policy and practice can help strengthen civil society and evaluating the Assembly's arrangements for considering European affairs.

We are one of the few parliaments in the world with a duty to work sustainably. Since 2009, the Assembly has been working towards becoming a low carbon organisation by 2015. Our vision is to deliver 40 per cent reduction in energy emissions, 15 per cent reduction in business travel emissions.

As a result of continued investment in our buildings infrastructure and control systems, coupled with an environmentally-conscious culture across the Assembly, we have made excellent progress against our sustainability targets.

- cutting energy emissions by 24% over the past four years,
- recycling 95% of our waste, and
- we remain on target to achieve our business travel emissions.

A Venue for Wales 2013-14 cost £11.6m



We need to continue to maintain our buildings to a high standard to provide a great experience for our visitors and to have the staff in place to greet them. We see this as a key priority.

07. Budget to fund the independent Remuneration Board's Determination for Assembly Members

2013-14 budget

£13.7m

Decisions over the pay and other costs of Assembly Members are the responsibility of the National Assembly for Wales Remuneration Board, established by Assembly legislation in 2010. The Board is entirely independent of the Assembly and so Assembly

Members have no direct role in setting their own pay, that of their staff nor the amounts that can be reimbursed for office and other costs. The Board's decisions are published in its National Assembly for Wales Determination and, by statute, it is the Commission's responsibility to secure the funding necessary to meet the costs arising from the Determination.

Last year, the Board set the base salary of Assembly Members at £53,852 and froze it at that level, together with office holder allowances, until at least 2015. In light of these the predicted costs for the four-year period 2011-2015 were reduced by:

- freezing of salaries £1.5 million;
- freezing office holder allowances £0.4 million;
- office and other costs £0.2 million.

By 2013-14 the Remuneration Board will have completed its review of the staffing framework for Assembly Members, including support staff pay, which may have an impact on the Remuneration Board's Budget for Assembly Members.

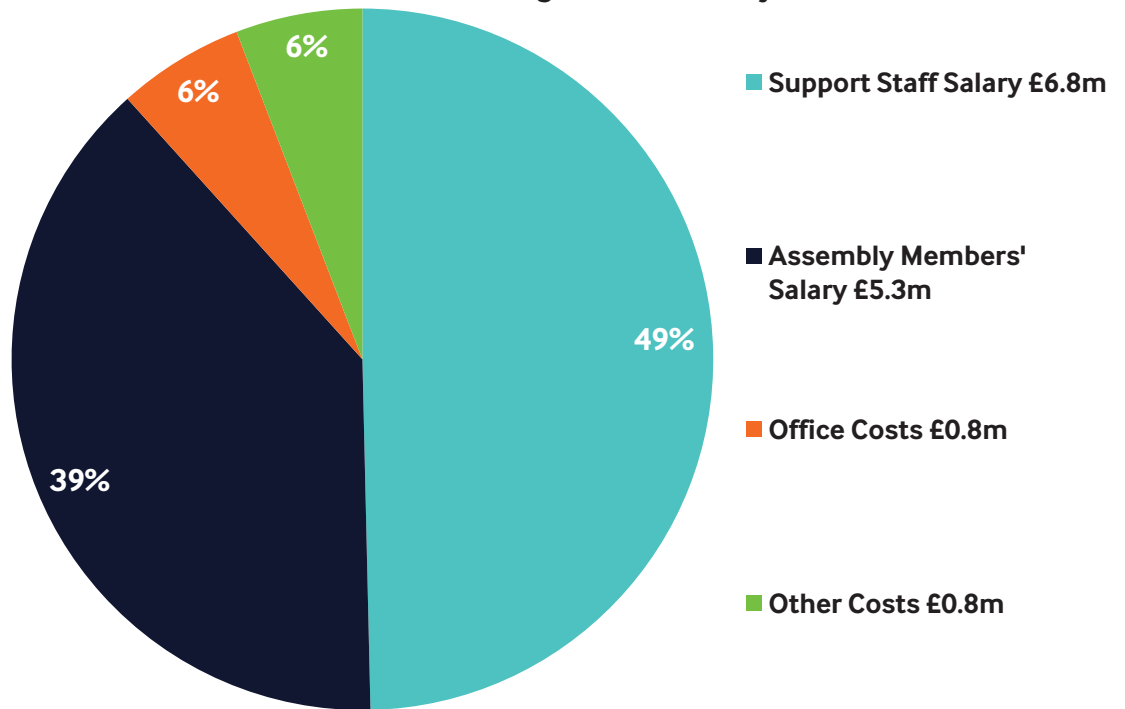
As set out in the Determination, Assembly Members have access to office and other costs to provide for:

- running an office and engaging with constituents;
- the salary and travel expenses of their own Support Staff;
- residential accommodation in Cardiff where needed for those eligible;
- travel expenses necessarily incurred in the performance of duties; and
- support for the Party Groups.

The percentage split across these costs is shown in the graph overleaf.

In addition there is a separate budget providing for accounting adjustments for the Members' pension scheme. This charge is reflected in the Annually Managed Expenditure (AME) budget and is expected to remain at £0.5 million, the same as 2012-13.

2013-14 Remuneration Board £13.7m Budget for Assembly Members



Estimated cost reduction for
the period 2011 to 2015

£2.1m

08. The Budget Ambit

- 01.** This budget submission is laid in compliance with National Assembly Standing Order 20 to assist in the compilation of the Annual Budget Motion required by Section 125 of the Government of Wales Act 2006. The submission covers the resource and cash requirements of the Assembly Commission for the year ending 31 March 2014 and provisional amounts for the subsequent two years.
- 02.** The Assembly Commission set out its spending requirements in its 2012-13 Budget which covers the period to 2015. This year's budget (£49.5m) and the provisional figure for 2014-15 (£50.6m) reflect the previously scrutinised and agreed funding levels. The Commission will be reviewing plans for its next phase of spending requirements for inclusion in its 2014-15 Budget. This will cover the period to 2017.
- 03.** The Budget Motion will authorise the net resources to be used for the services and purposes of Members and Assembly Services. The motion includes the maximum income (or accruing resources) that may be retained for use on those services and purposes instead of being paid into the Welsh Consolidated Fund, and the cash amount that will need to be issued from the Welsh Consolidated Fund to meet the anticipated net amounts falling due for payment by the Commission.
- 04.** The 2013-14 Draft Budget for the Assembly Commission, addressing these requirements, is set out in Table 1 below.

Table 1	£000
Resources other than accruing resources for use by the National Assembly for Wales Commission on revenue and capital costs associated with the administration and operation of Assembly Services to support the National Assembly for Wales ("the Assembly"); promotion of the Assembly including payments to the Electoral Commission and others; payments in respect of the Commissioner for Standards and Remuneration Board; any other payments relating to functions of the Assembly or functions of the National Assembly for Wales Commission.	36,000
Resources other than accruing resources for use by the National Assembly for Wales Commission in respect of decisions of the Remuneration Board.	<u>13,700</u>
<i>Total resources, other than accruing resources</i>	<i>49,700</i>
Annually Managed Expenditure for use by the National Assembly for Wales Commission in respect of Assembly Members' Pension provision.	500

Accruing resources for retention pursuant to section 120(2) of the Government of Wales Act 2006 and use by the National Assembly for Wales Commission: from the disposal of fixed assets and other capital income for use on the purchase or acquisition of fixed assets; or rental income; gifts; grant support; recharges and income from commercial sales and other services provided to the public or others for use on administrative costs of the Assembly.	250
Amount to be issued from the Welsh Consolidated Fund to meet the anticipated amounts falling due for payment in the year in respect of the above services and purposes less expected retainable receipts and recoverable VAT.	45,850

05. Table 2 below reconciles the net resource requirement to the cash drawing requirement from the Welsh Consolidated Fund.

Table 2 CASH REQUIREMENT	£000s		
	2013-14 Draft¹	2014-15 Provisional¹	2015-16 Provisional²
Members Net Revenue Requirement	13,700	13,900	14,300
Commission Net Revenue Requirement ³	35,000	35,698	35,798
Net Capital Requirement	750	1,000	500
Assembly Members' Pension Provision (AME)	500	500	500
<i>Adjustments:</i>			
Depreciation	(4,000)	(4,400)	(4,500)
Movements in provisions	(500)	(500)	(500)
Movement in debtors and creditors	300	0	0
Use of provisions	100	0	0
Net cash requirement for issue from the Welsh Consolidated Fund	45,850	46,198	46,098

¹ As previously set out in the 2012-13 Budget document.

² Provisional budget based on flat cash, 0% increase from 2014-15.

³ Assumes Accruing Income of £0.250 million year on year.

Annex 1 Financial Information

Assembly Commission Budget Strategy	£000s				
	2010-11	2011-12	2012-13	2013-14	2014-15
Assembly services	32,847	31,673	33,477	35,750	36,698
Remuneration Board's Determination	13,380	13,034	13,500	13,700	13,900
Total budget (DEL) required*	46,227	44,707 ⁴	46,977	49,450	50,598
Change from previous year		(3.3%)	5.1%	5.3%	2.3%
<i>Real terms change from 2010-11 baseline</i>		(6.0%) ⁵	(3.3%) ⁶	(0.7%) ⁶	(0.9%) ⁶

* An accounting adjustment of £0.5million per year is required for the Assembly Members' Pension Scheme. Since 2010-11, this is funded separately through the Annually Managed Expenditure budget.

Comparator: 2012-13 with 2013-14

Cost of the National Assembly for Wales	2012-13	2013-14
	£m	£m
Commission staff	15.4	16.3
Remuneration Board's Determination for Assembly	13.5	13.7
Fixed costs	12.2	12.6
Variable costs	4.2	4.6
Investment Programme	<u>1.7</u>	<u>2.3</u>
	47.0	49.5

⁴Excludes 2011 election funds.

⁵National Assembly for Wales, Assembly Commission Budget 2011-12, November 2011, page 6.

⁶Uses H M Treasury assumptions 2012-13 2.7%, 2013-14 2.5% and 2014-15 2.5% as at 27 September 2012 [accessed 27 September 2012].

Annex 2 Glossary

Annually Managed Expenditure (AME)

A categorisation of expenditure reserved for less predictable and controllable items. Can only be allocated to the purpose for which it is assigned.

Barnett formula

A formula used to allocate a population-based share of changes in planned expenditure on comparable services by departments of the UK Government to the devolved administrations of Scotland, Wales and Northern Ireland.

Capital

Expenditure that generally results in a fixed asset (eg. A building, equipment or land) intended to benefit future accounting periods, or spend that increases the capacity, economy, efficiency or lifespan of an existing fixed asset.

Creditor

An organisation or someone that you have an obligation to pay for goods or services received.

Debtor

An organisation or someone that has an obligation to pay you for goods or service that you have delivered to them.

Depreciation

A measure of the consumption, wearing out or otherwise reduction in the useful life of a fixed asset.

Draft Budget

Sets out the resource and cash amounts proposed for use in the following financial year and indicative figures for the subsequent two financial years.

Fixed Assets

Items that are purchased with an expected life greater than one year for the economic benefit of the business such as land, buildings and equipment.

Government of Wales Act 2006

The Act of the Parliament of the United Kingdom that reforms the National Assembly for Wales and allows further powers to be granted to it more easily. The Act creates a system of government with a separate executive drawn from and accountable to the legislature.

Provisions

A provision is a liability of uncertain timing or amount. A cost is recognised in the Commission's Resource Account when we have a present obligation (legal or constructive) as a result of a past event, when it is probable that a transfer of economic benefits will be required to settle this obligation, and when a reliable estimate can be made of the amount of the obligation.

Real terms

The value of expenditure adjusted to take account of general price inflation. Enables comparisons of spending across years without the distortion caused by price changes.

Revenue/ Running Costs

Current expenditure covering day-to-day running costs such as staff salaries and the purchase of consumable goods and services.

Value for Money

The process under which organisation's procurement, projects and processes are systematically evaluated and assessed to provide confidence about suitability, effectiveness, prudence, quality, value and avoidance of error and other waste, judged for the public sector as a whole.

Variable Costs

Are expenses that change in proportion to the organisation's activities.

Welsh block

Is the block grant of money, calculated using the Barnett Formula, voted by Parliament to the Secretary of State for Wales for funding that comes to Wales.

Welsh Consolidated Fund

Created by the Government of Wales Act 2006 this is a neutral bank account held by the Paymaster General. The account into which the money voted by the UK Parliament for use by the Welsh Government, the Assembly Commission, the Auditor General and the Public Services Ombudsman for Wales is paid.

**National Assembly for Wales – Finance Committee – 3 October 2012****Public Services Ombudsman for Wales
Estimate for the Financial Year 2013/14****1. Background to this estimate submission**

- 1.1 I submit this budget estimate as required by paragraph 15 of Schedule 1 of the Public Services Ombudsman (Wales) Act 2005, as amended by the Government of Wales Act 2006. It sets out the resources required to carry out my statutory functions apart from my salary, National Insurance and pension costs, which are a direct charge on the Welsh Consolidated Fund and do not therefore form part of this estimate. However, they are reported in my Annual Accounts in order to ensure that they reflect the total running costs of the office.
- 1.2 This is the second submission of my estimates to the Fourth Assembly. The Finance Committee is responsible for considering this estimates submission. The Communities, Equality and Local Government Committee is responsible for considering the work of the office. The information provided in this paper relates particularly to those matters within the remit of the Finance Committee.

2. The role of the Public Services Ombudsman for Wales

- 2.1 As Public Services Ombudsman for Wales, I consider complaints made by members of the public that they have suffered hardship or injustice through maladministration or service failure on the part of a body in my jurisdiction. That jurisdiction covers:
- local government (both county and community councils);
 - the National Health Service (including GPs and dentists)
 - registered social landlords (housing associations), and
 - the Welsh Government, together with its sponsored bodies.
- 2.2 I also consider complaints which allege that members of local authorities have broken their code of conduct. In addition, I provide the Complaints Wales signposting service – a telephone and web service – which enables members of the public in Wales, who wish to complain about a public service provider, but do not know how to do so, to make their complaint to that organisation. This service also helps individuals with complaints about UK public service providers where the services are not devolved.

3. Corporate Governance

- 3.1 During 2011/12, I reviewed the governance arrangements of my office, whilst bearing in mind the constitutional position of a corporation sole and the fact that responsibility and accountability for the activities carried out by my office must remain with me, as Ombudsman.
- 3.2 Although an advisory Audit Committee was already in place, and had proved a valuable source of advice and assurance, I decided that in order to enhance openness and transparency, the office would benefit from the creation of an Advisory Panel with a wider remit. Following an open recruitment process, I have been fortunate in being able to form a Panel of five diverse and high calibre members. Two successful Panel meetings have been held to date. The Audit and Risk Committee is now a sub-committee of the Advisory Panel. These new arrangements provide me as Ombudsman and Accounting Officer with additional reassurance and advice and assist in operating an effective and efficient service for users of public services in Wales. They have been developed to take account of best practice in other public sector ombudsmen schemes and other corporations sole. The overall increase in cost is modest and has been contained by undertaking assessment of all the applications received for these positions in-house and arranging for meetings of the Advisory Panel and Audit & Risk Committee to be held on the same day.

4. Financial performance

- 4.1 My arrangements for financial management and internal control have been independently reviewed by Deloitte as my internal auditors. Deloitte were appointed as my internal auditors with effect from 1 April 2011. The work of Deloitte was planned on the basis of their overall needs assessment and carried out through their first annual programme. Their reports highlighted the satisfactory internal control framework within the organisation and made recommendations for improvement where necessary.
- 4.2 The Deloitte Internal Audit Annual Report stated: "Substantial assurance has been achieved for all internal audits performed". During 2011/12, being the first year of a three year audit plan, there were 15 low priority recommendations. There was one medium priority recommendation - that guidance be prepared on the use of key spreadsheets.
- 4.3 The Auditor General gave my accounts for the year 2011/12 an unqualified audit opinion in keeping with all previous years.
- 4.4 I work on the principle that the overheads of the office should be less than 5% of the total expenditure. This has always been achieved since the office was established under the Public Services Ombudsman (Wales) Act 2005 and is a principle that was derived from good practice within the public sector. This is evidenced in the analysis of expenditure on the aims and objectives of my Strategic Plan as set out in the Annual Accounts.

- 4.5 We made 98% of payments to suppliers within 30 days of the invoices being received in my office for the financial year ended 31 March 2012. The average period of payment of invoices in 2011/12 was 8 working days compared with 13 days in 2010/11. We are continuing to strive to meet the standard set out in HM Treasury's 'Managing Public Money' publication that payments should be made within 10 days.
- 4.6 These achievements are consistent with the high standards of financial management which have been in place since the organisation was established.

5. Efficiency and effectiveness

- 5.1 As reported to the Finance Committee last year, a concerted effort has been made to provide a more efficient and effective service at the early stages of the complaints handling process, together with streamlining the investigation stage. This has been successful and crucial in the context of an ever increasing number of enquiries and complaints being received by my office.
- 5.2 That upward trend has continued into the current business year (2012/13). Comparing the first five months (i.e. April to August) this year with the same period in 2011/12:
- enquiries are **up 92.4%** (1,133 compared with 589) (this was 340 in 2009/10)
 - complaints are **up 8%** (853 compared with 788) (this was 739 in 2009/10).

It is notable that health complaints continue to increase. As a proportion of caseload this currently stands at 37%, compared with 32% for 2011/12 and 25% for 2010/11. Despite the increase in complaints, my office is successfully reducing the number of cases on hand. At 31 August 2012 there were 329 cases open compared to 455 at 31 March 2012. There were no investigations more than 12 months old at the end of the financial year. (The 12 months target I have set places the office among the 'better performers' of public service ombudsmen in the UK.)

- 5.3 The work undertaken during 2011/12 to develop new websites is proving its worth. From the time these were launched at the beginning of October 2011 to the end of August 2012, 25% of the complaints received by my office were made via the webforms. In view of the fact that the details entered by complainants into the webforms, following a verification check by the Complaints Advice Team, automatically populate the complaints database, a great deal of administrative effort in manually setting up complaints records is now unnecessary. The efficiencies achieved have enabled the office to absorb the extra workload referred to at paragraph 5.2 above.

- 5.4 **Staff resources** – Members will remember that as a result of the level of financial resources made available to my office for 2011/12 I had to take steps to reduce my staffing establishment, resulting in an 8.5% reduction in posts (full time equivalents). This was achieved through a reorganisation where I made changes at management level and implemented arrangements to deal with the consequential effects of this – for example, reducing the number of investigation teams from three to two. Notably, five posts were cut: one Director (from two); two Senior Investigator posts and two Casework Support Officers. Last year, the Finance Committee expressed concern about the growth in complaints received by my office and my ability to deal with this. In particular, there was unease that I might have to review the criteria used for deciding whether or not to take a complaint forward to investigation. I gave an undertaking at that time that I would not take such a step without referring back to the Committee. I am pleased to report that the efficiencies I introduced in previous years meant that such a step did not prove necessary during 2011/12. However, I do not underestimate the challenges ahead to deal with the continual increase in complaints to my office, particularly health complaints which invariably are the most complex and time-consuming to investigate. The staffing structure as at 31 March 2012 is at Appendix B.
- 5.5 **Professional advisers** – I use clinical advisers with expertise in various areas of the health professions to assist me with the consideration of health cases. Previously, I relied on advisers engaged through an arrangement with the Office of the Parliamentary and Health Service Ombudsman (OPHSO), which is subject to a recharge to my office. I recently decided to directly engage a number of clinical advisers who come in to my office as required. I have been very pleased with the positive impact on my service as a result. This has enabled a more prompt review of cases at the early stages of the consideration of a complaint, and more focussed and effective interaction with other specialist advisers at OPHSO during investigations. It has also meant reduced costs for my office due to fewer case files needing to be sent to OPHSO in Manchester or London. Given the rise in health complaints from 359 in 2010/11 to 516 in 2011/12, we would have expected expenditure on advisors to OPHSO to be £107K. However, with the new arrangements in place, actual expenditure was £88K. If we had not achieved this efficiency we would have needed to find an additional £19K from within our existing financial resources. As a result of the success of the ‘internal’ clinical advisers I have also engaged a number of other professional advisers in the fields of social care and planning. These are again proving their worth by, in particular, enabling early decisions to be made at pre-investigation stage of the complaints process.

6. The next three years

- 6.1 At the end of March 2012, I published the Strategic Plan for the next three years. We have introduced a revised Vision as well as establishing new key strategic aims for the three years ahead of us. Much of the Plan takes forward the innovations introduced over the past couple of years. In particular, I will be looking to further develop the work of the Complaints Wales signposting service, including:

- providing on my website summary details of the work of advocacy/advice bodies in addition to the contact details currently provided,
- giving information on 'intermediary' complaint handlers, where they exist (for example, if someone had already complained to the Land Registry they could complain to the Independent Complaint Reviewer, and then if still dissatisfied they could complain to the Parliamentary & Health Service Ombudsman)
- giving details of regulators where appropriate (for example, if someone wished to contact the General Medical Council concerning a GP's fitness to practice).

6.2 However, there is also focus on preparing for the new areas of jurisdiction which are likely to be introduced to my office as a result of the Social Services (Wales) Bill and the changes to be introduced to the statutory social services complaints procedure where it is proposed that the independent review stage be abolished with all requests for independent consideration of such complaints being undertaken by my office.

6.3 I welcome the proposed changes to the statutory social services complaints procedure, which will bring it in line with both the NHS Redress arrangements and the Model Concerns and Complaints Policy and Guidance for public services providers in Wales. There will be a notable saving to the Welsh Government's budget as a result of this change. It will no longer need to meet the costs of holding Independent Review Panels or make payments to Panel Members; neither will the Welsh Government require an Independent Complaints Secretariat. The administrative costs of the independent consideration of the social services complaints can be absorbed by my office. I do however need to make provision for a slight increase to my investigation resources to deal with the additional complaints that will come to my office as a result. However, I have estimated that taking both this change and the extension to my jurisdiction as proposed in the Social Services Bill into account, I am likely to be able to limit this to one additional Investigator post for 2013/14. I am also making provision for increasing my establishment by one more Investigator post in 2014/15, however, this may not be necessary depending on the volume of complaints that I receive. The salary and related costs for one Investigator post for a full year amounts to £44K.

7. Local Government Pensions

7.1 Under the Public Services Ombudsman (Wales) Act 2005, my staff are members of the Principal Civil Service Pension Scheme (PCSPS). In last year's submission I reported that when the office of the Public Services Ombudsman for Wales was established in 2006, a number of members of staff formerly employed by the Commission for Local Administration in Wales were entitled to remain in the Local Government Pension Scheme. Since then, the scheme, which is administered by Cardiff County Council, continues to remain in deficit. This has arisen because of the increases in life expectancy that affect the liabilities of the pension scheme while its assets have been reduced by decreases in the value of its investments and by lower rates of return. The current state of the economy has worsened that deficit although it is hoped that as the economy improves that there will be a similar movement in the state of the pension fund.

- 7.2 The liability for the deficit as identified following the most recent three year actuarial review was included within the second supplementary estimate for 2011/12 as Annually Managed Expenditure (AME) and is in line with the details set out in the estimate submission for 2012/13 considered by the Assembly's Finance Committee at its meeting on 6 October 2011. However, the annual payments are treated as Departmental Expenditure Limit (DEL) as discussed with the Committee last year.

8. Pay awards

- 8.1. Office salaries are based on England and Wales Local Government pay scales. Uplifts are applied depending on Local Government pay settlements. Over the last three years there has been no uplift in pay. This estimate submission does not allow for any pay uplifts for the forthcoming financial year 2013/14.

9. Cost Pressures

- 9.1 Given the considerable pressures on my service, I have allowed for a 1.12% increase in my budget estimate for 2013/14 (held for 2014/15), which is in line with the Comprehensive Spending Review where the Welsh Block Revenue DEL including non cash movements is due to be increased by a similar amount from 2011/12.. This excludes the additional investigator post(s) in respect of the social services changes referred to at paragraph 6.3 above.
- 9.2 The office continues to absorb cost increases. H M Treasury is stating that the GDP Deflators as the measure of inflation for the forthcoming years are estimated currently to be 2.5% per annum.
- 9.3 The office has absorbed higher costs relating to the pension increases for the former Ombudsman whose pensions are met from within my budget allocation. In line with the Pensions Increase Order for 2012 these pension payments increased by 5.2% and added £4k to the costs of running this office. Based on the July 2012 CPI figures the annual uplift payable from April 2013 is 2.6%. Based on further increases in fuel and heating costs it is likely that the pension Increase will be about 3% resulting in a further increase in costs exceeding £2k.
- 9.4 The service charges relating to the office at Pencoed continue to rise in excess of the forecast GDP deflators. In addition the landlord is responsible for the provision of the heat and power to the office. These costs are rising in excess of the GDP deflators as currently forecast. There is very little scope for managing these costs
- 9.5 As mentioned last year the cost of postage and carriage continue to rise. However the measures introduced to increase the number of in-house advisors thereby reducing the movement of documents have been very effective in managing these costs. In addition increased usage of electronic transfer procedures is being developed.

9.6 Staff are encouraged to continually seek cost reductions in carrying out the activities of the office. This has been successful in reducing the costs. Examples include:

- appropriately qualified staff representing the Ombudsman's office at hearings of standards committees and Adjudication Panel for Wales's tribunals rather than the office having to engage Counsel - £20K saving in 2011/12. This saving has meant that we have been able to meet the cost pressures set out above.
- embracing technological advances to take the office towards becoming a paperless office - being implemented over a three year period with estimated saving of £12K

and a number of smaller initiatives.

9.7 In relation to procurement, when new contracts are negotiated the aim is to secure cost reductions and/or enhancements in the method of working. A new printer services contract (including photocopying) has secured cost reductions and has the potential of further reductions through improved working procedures and better monitoring of these costs.

Public Services Ombudsman for Wales
25 September 2012

Appendix A – Estimates 2013/14 Appendix B – Organisation Chart

Appendix A

Estimates 2013/14

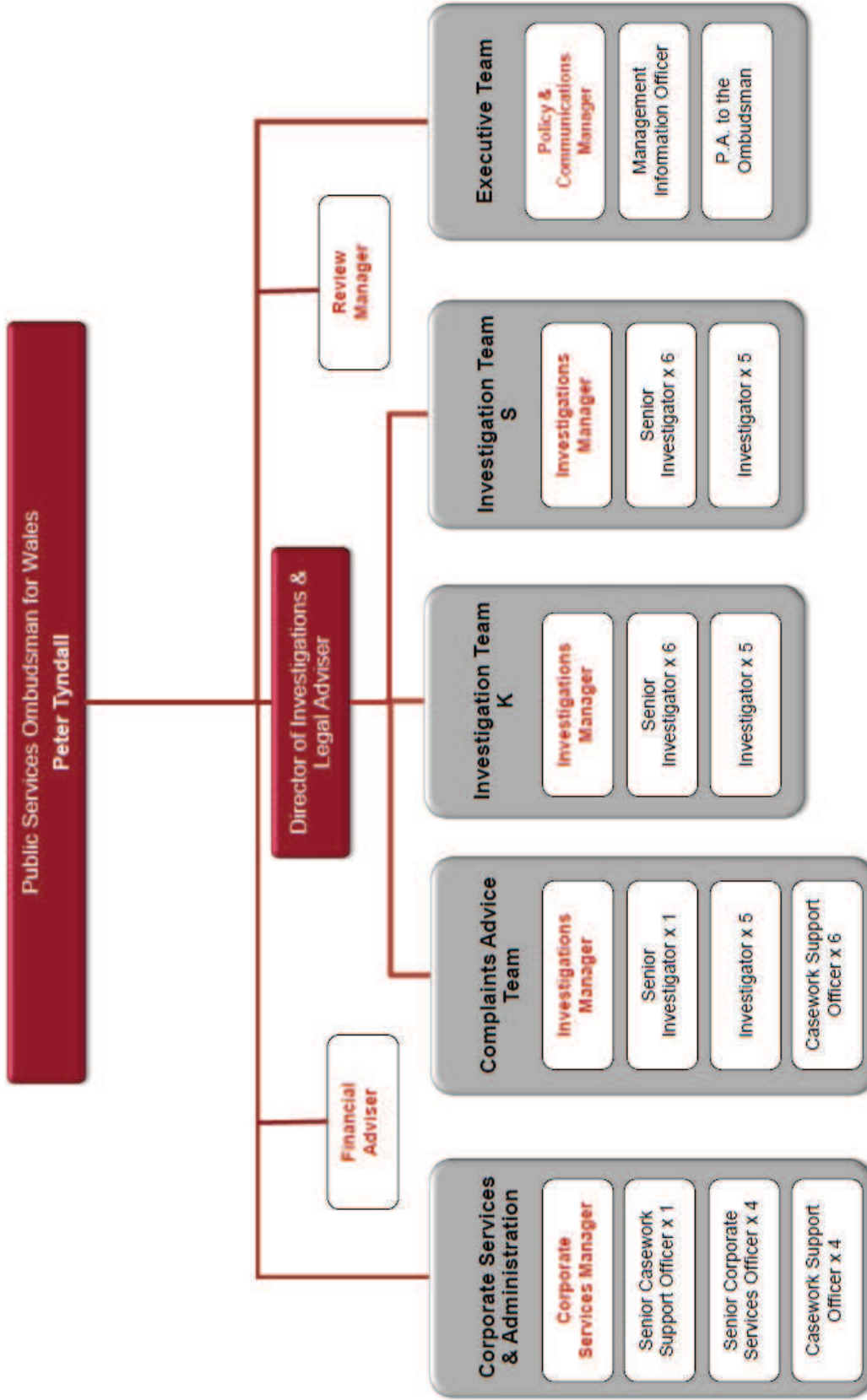
	Actual 2011/12	Budget 2012/13	Estimate 2013/14	Estimate 2014/15	Estimate 2015/16 ¹
	£'000	£'000	£'000	£'000	£'000
A Capital DEL	13	14	13	13	13
B Fiscal Revenue DEL					
Salaries and related costs	2,569	2,620	2,691 ²	2,743 ³	2,750
LGPS related costs	-	231	242	254	266
	2,569	2,851	2,933	2,997	3,016
Premises	326	343	349	349	349
Computer systems and support	132	90	85	85	85
Office costs	138	146	148	148	148
Advisory fees	281	300	310	310	310
Communications	98	80	82	82	82
Training and recruitment	40	65	65	65	65
Travel and subsistence	26	34	34	34	34
Audit fee	19	20	22	22	22
Sub total	3,629	3,929	4,028	4,092	4,111
Income	-	-6	-6	-6	-6
Total Fiscal Revenue DEL	3,629	3,923	4,022	4,086	4,105
C Non cash DEL					
Depreciation	122	126	109	105	64
Revenue DEL (B+C)	3,751	4,049	4,131	4,191	4,169
Total DEL (A+B+C)	3,764	4,063	4,144	4,204	4,182
D Annually Managed Expenditure (AME)					
Movement on LGPS	-	-231	-242	-254	-266
Provisions movement	8	20	40	30	47
Total AME	8	-211	-202	-224	-219
E Total Managed Expenditure					
A+B+C+D	3,772	3,852	3,942	3,980	3,963
Resources Required	3,772	3,852	3,942	3,980	3,963
Non cash items	-122	-126	-109	-105	-64
Increase in Provisions	-8	-20	-40	-30	-47
Utilisation of Provisions	-	231	242	254	266
Other movements in Working Capital	-2	25	25	20	20
Net Cash Requirement	3,640	3,962	4,060	4,119	4,138

¹ The estimates for 2015/16 could be the subject of change depending on the outcome of the next Comprehensive Spending Review

² Includes provision for 1 additional 'Investigator' post for increase in complaints as a result of Social Services changes (see paragraph 6.3 in main body of report)

³ Includes provision for a further 'Investigator' post as a result of Social Services changes, but this may not be required and is dependent upon volume of complaints received.

Appendix B Organisation Chart (position at 31 March 2012)



Our ref: PT/SMH

Ask for: Peter Tyndall

Your ref:

 01656 641150

Date: 8 October 2012



Ms Jocelyn Davies
Chair of the Finance Committee
National Assembly for Wales
Cardiff Bay
CARDIFF
CF99 1NA

Dear Chair

Finance Committee – 3 October 2012
Item 3 – Scrutiny of Public Services Ombudsman for Wales’s Draft Estimate

Thank you for the opportunity to give evidence to the Committee on my draft estimate for 2013/14. I welcomed being able to discuss my estimate submission and I hope that Committee Members found this useful.

I gave an undertaking to the Committee that I would provide further information on the rise and proportion of health complaints to my office and any budgetary implications associated with this. This information is set out below.

The number of complaints made against health bodies from the time that the office of the Public Services Ombudsman for Wales came into existence and the proportion of the caseload of complaints about public bodies that these represent is set out in the table below.

Year	Number of complaints against health bodies	Health complaints as a percentage of all complaints received about public bodies
2006/07	191	16%
2007/08	232	16%
2008/09	292	21%
2009/10	308	23%
2010/11	340	25%
2011/12	527	32%
2012/13*	620	37%

* Projected to the end of 2012/13 on the basis of complaints about health bodies received this year to date.

Continued ...

Therefore the percentage increase in health complaints since 2006/07 against the number projected for 2012/13 is a 225% increase.

With regard to financial implications, details of the cost of clinical advice for health cases are as follows:

2006/07: £ 46,000

2011/12: £104,000

[Note: the 2011/12 figure is lower than that shown for advisory fees under the 'Actual' column at Appendix A of my paper to the Finance Committee because that provision includes all types of professional advice taken by my office.]

The rise in the cost of clinical advice for health complaints would have been greater if the changes made to contain costs, as explained to the Finance Committee on 3 October, had not been made.

I still expect to be able to contain the additional costs anticipated from the continuing rise in health complaints within my estimate submission for 2013/14.

Yours sincerely

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

Peter Tyndall
Ombudsman

Agenda Item 4

Finance Committee

Meeting Venue: **Committee Room 2 – Senedd**

Meeting date: **Thursday, 27 September 2012**

Meeting time: **14:00 – 15:20**

This meeting can be viewed on Senedd TV at:

http://www.senedd.tv/archiveplayer.jsf?v=en_300000_27_09_2012&t=0&l=en

Cynulliad
Cenedlaethol
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National
Assembly for
Wales



Concise Minutes:

Assembly Members:

Jocelyn Davies (Chair)
Peter Black
Christine Chapman
Paul Davies
Mike Hedges
Julie Morgan
Ieuan Wyn Jones

Witnesses:

Committee Staff:

Gareth Price (Clerk)
Daniel Collier (Deputy Clerk)
Martin Jennings (Researcher)
Tom Jackson (Clerk)
Joanest Jackson (Legal Advisor)

1. Introductions, apologies and substitutions

1.1 The Chair welcomed Members and members of the public to the meeting.

1.2 Apologies had been received from Ann Jones.

2. Review of recommendations made by the Committee for the Welsh Government's draft budget 2012–2013

2.1 The Committee considered the recommendations of its Welsh Government draft budget 2012–13 report and the response from the Minister for Finance.

2.2 The Committee agreed to write to the Welsh Government requesting:

- A note explaining why the Minister has chosen to update the Committee with quarterly reports;
- Clarification on the role of the delivery unit;

3. Papers to note

3.1 The Committee noted the minutes of the previous meeting.

3.2 The Committee noted the Welsh Government's response to the Committee report 'Borrowing Powers and Innovative Approaches to Capital Funding' and agreed to hold a debate on the report.

4. Motion under Standing Order 17.42 to resolve to exclude the public from the meeting for the following business:

Items 5 to 7.

5. Consideration of draft report on the Effectiveness of European Structural Funding in Wales

5.1 The Committee discussed its draft report 'The Effectiveness of European Structural Funding in Wales' and suggested amendments.

5.2 The Committee agreed to consider the draft report further at a future meeting.

6. Consideration of changes to 2011–2012 budgets – Outturn report

6.1 The Committee considered the Welsh Government's outturn report 2011–2012 and agreed to request further information from the Minister for Finance.

7. Forward Work Programme – Autumn 2012

7.1 The Committee discussed its work programme for the autumn term 2012.