

Public Services Ombudsman for Wales

2nd Supplementary Budget Motion 2022/23

Explanatory Memorandum to the Chair of the Finance Committee

This Supplementary Budget submission has been completed consistently with Standing Orders 18A.2 and 20.36 of the Welsh Parliament dated September 2022.

Background

The UK Government implemented a 1.25% increase in employers' National Insurance contributions for 2022/23. This resulted in an additional annual cost of £38k to PSOW which we requested via a Supplementary Budget in April 2022. This was approved.

However, the UK Government decision was reversed during the year, meaning that from 6 November 2022 the increase would no longer apply. This Supplementary Budget returns the unspent funding that relates to the period November 2022 to March 2023 and accords with recommendation 8 of the Committee's Annual Scrutiny of the Public Services Ombudsman for Wales - November 2022.

Variation of Resources Sought

We propose a variation to the annual budget motion in compliance with Standing Order 20.36 in respect of:

- A reduction of £16k to reflect the unspent funding arising from the reversal of the increase to employers' National Insurance contributions from 6 November 2022.

The impact of this change is shown in the attached table.

2nd Supplementary Budget 2022/23

| PSOW Expenditure | Budget Laid (1 st Supp) £000s | Changes £000s | Revised Budget (2 nd Supp) £000s |
|--|---|------------------|--|
| Staff salaries and related costs | 4,222 | (16) | 4,206 |
| Premises and facilities, including leases | 171 | | 171 |
| Professional fees | 234 | | 234 |
| IT costs | 250 | | 250 |
| Office costs | 119 | | 119 |
| Travel, training and recruitment | 60 | | 60 |
| Communications | 65 | | 65 |
| Total Revenue Expenditure | 5,121 | (16) | 5,105 |
| Total Income | (19) | | (19) |
| Net Revenue Expenditure | 5,102 | (16) | 5,086 |
| Capital Expenditure | 5 | | 5 |
| Total Resources Required | 5,107 | (16) | 5,091 |
| Depreciation and amortisation charges | 70 | | 70 |
| Depreciation – leased assets | 204 | | 204 |
| Interest charges – IFRS 16 | 7 | | 7 |
| Total Resource Expenditure | 5,388 | (16) | 5,372 |
| Depreciation – total | (274) | | (274) |
| Interest charges – IFRS 16 | (7) | | (7) |
| Change in working capital – IFRS 16 | 198 | | 198 |
| Other non-cash movements | 20 | | 20 |
| Cash Requirement from WCF | 5,325 | (16) | 5,309 |