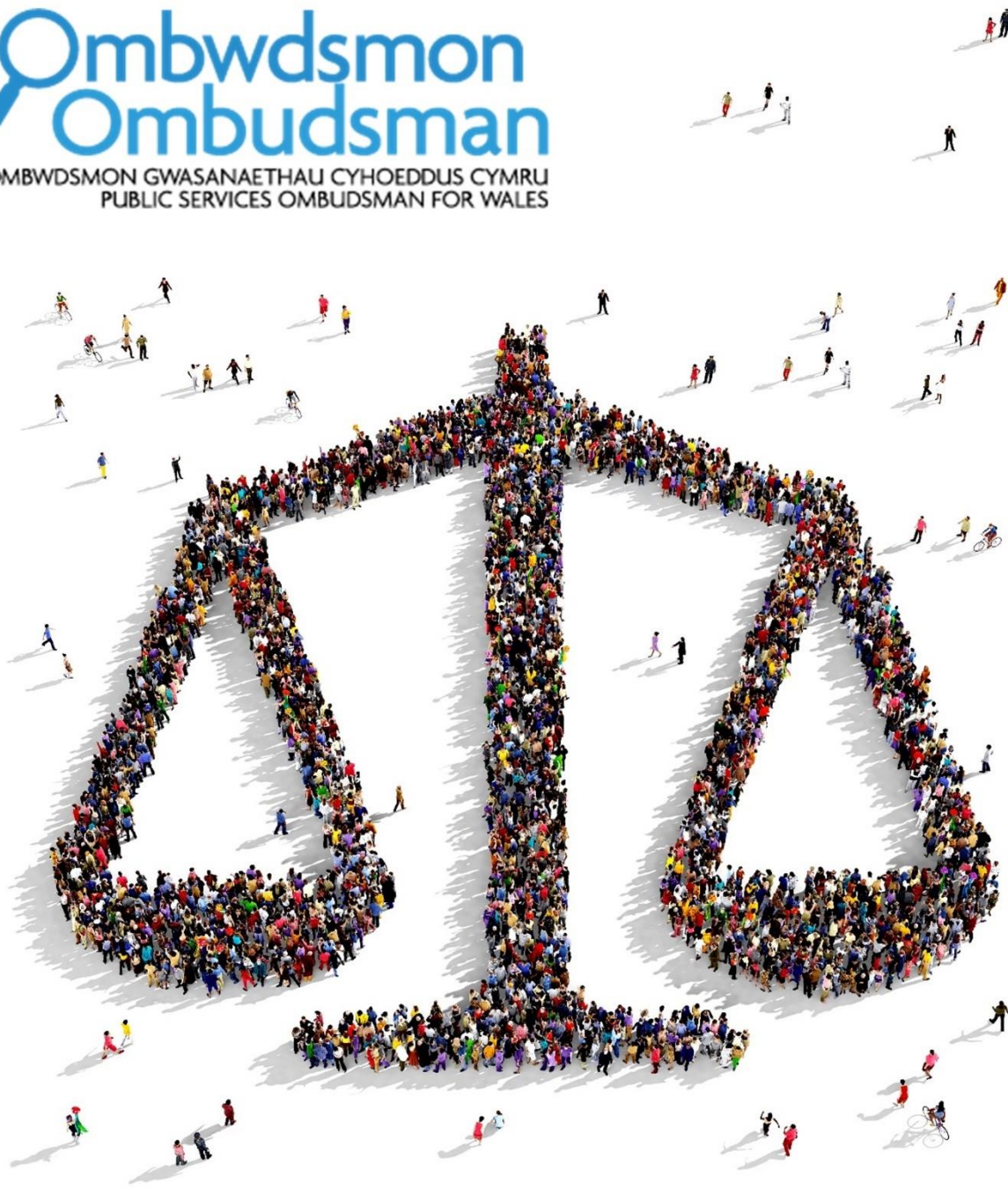


# Ombwdsmon Ombudsman

OMBWDSMON GWASANAETHAU CYHOEDDUS CYMRU  
PUBLIC SERVICES OMBUDSMAN FOR WALES

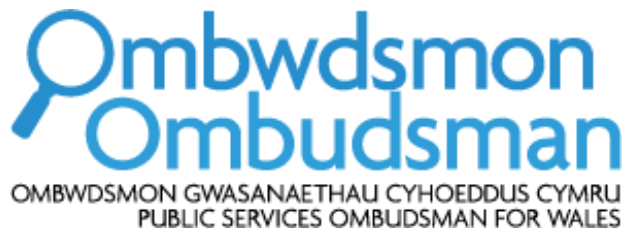


## Delivering Justice

The Public Services Ombudsman for Wales

## Annual Report and Accounts

## 2020/21



**Annual Report and Accounts 2020/21**  
**of the Public Services Ombudsman for Wales**  
**for the year ended 31 March 2021**







Laid before the Welsh Parliament under paragraphs 15, 17 and 18 of Schedule 1  
of the Public Services Ombudsman (Wales) Act 2019

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## Key Messages

	We have continued to deliver for those who have suffered injustice during the pandemic.
	We are proactive, helping the public sector improve during challenging times.
	We embrace learning and welcome feedback.
	We strive to ensure and promote equality and diversity.
	We pull together and support each other.
	We are accountable and transparent about our performance and use of resources.

## Foreword

### Justice Remotely

Like most of you, I have spent an unanticipatedly large amount of this year working from home, remotely. In fact, this foreword is the first annual report to be composed from my living room.



The coronavirus pandemic has presented all public bodies with new challenges, not least the massive challenges to health and care services, which continue as I write this. My thoughts are with all those servants of the public, the key workers who have not had the option of home working through this crisis.

All our staff have been enabled to work remotely successfully, and I am very grateful to our IT team for facilitating that change so effectively. I am also mindful of the need to thank those small numbers of corporate services and casework support colleagues, who have been going into the office to ensure that certain tasks, dealing with the mail and scanning documents, have continued throughout. We have maintained our service throughout, picking up calls and receiving complaints, whilst also making sure that the office followed the highest standard of social hygiene and distancing.

We saw the first ever substantial reduction in complaints and enquiries coming to the office. However, surprisingly, Code of Conduct complaints about local elected members increased by some 47% during the pandemic. There were high-profile cases, including substantial sanctions applied to individual members in Cardiff and Merthyr. In a year where Handforth Parish Council became a social media viral phenomenon, the office was involved in direct training of a couple of town councils to make sure that they were fully aware of the expectations of the Code and the need to maintain high standards in local public life. We also revised our Code of Conduct guidance.

I am also very grateful to all staff for reducing our case load, continuing to assess, investigate and close complaints during pressing times, lowering our caseload in readiness for the post-pandemic increase in complaints that we are

now experiencing. At the year-end, our case load was lower than any time since 2017, approximately 16% lower than this time last year.

We also worked hard to reduce ageing cases, with only 12 cases over 12 months old - a massive achievement given the challenges faced not only by the office but by bodies in our jurisdiction.

We also made great progress with our new proactive powers, with our first own initiative investigation of homelessness services in Wales launched in January. I was delighted to launch the consultation with the support of Michael Sheen at the Chartered Institute of Housing Tai conference in September 2020. We also used extended own initiative powers in a range of cases including the prostate cancer treatment of 16 patients in North Wales.

The journey to achieving new powers was a basic goal of my period of office. Over the summer of 2020 I was able to write the story from 2014 to 2020 and it was published in the Journal of Social Welfare and Family Law. You can read a version of this story on the [International Ombudsman's Institute's website](#).

Local Authority Complaints Standards came into force on 1 April 2021, and Health Board Complaints Standards from 1 June 2021. Complaints standards training has now been made available to all local authorities in Wales and most health boards. Our work in the housing sector is well under way with a very successful webinar facilitated by TPAS Cymru. Training has been provided to organisations that generate approximately 95% of our complaint volumes, a great achievement under the circumstances.

We published 6 public interest reports in the year as well as our second Equality and Human Rights casebook. Two special reports on Cardiff Council and Powys Health Board raised compliance failures. We continued to engage with the Ombudsman Association, the International Ombudsman Institute, and the Public Service Ombudsman Group, in order to gain insight into how our peers were coping with the pandemic. I was also delighted to address the Administrative Justice Council event on a 'Manifesto for Ombudsman Reform' which provided the opportunity to promote Welsh reforms and share good practice with the broader Ombudsman community. This year the office published **At Your Service**, my fifth thematic report, this time focusing on good practice identified from our casework.

Independent research from Beaufort Research demonstrated that public awareness of the office was higher than ever, having increased by 13% since 2012, and it was higher in North Wales than any other part of Wales. Over-all 85% of respondents felt it was easy to contact the office. However, we remain concerned as an organisation that the proportion of complaints from ethnic minorities and disabled people has reduced and this year we plan specific outreach activities to counter this.

Coronavirus has impacted on us all. At one point in December, despite homeworking, we had 1 in 15 staff infected compared to a rate of 1 in 65 of the public. Some of our clinical and professional advisers were also ill and sadly a valued and highly respected social services adviser lost his life to the virus. Our thoughts are with his family and friends.

As a people-based business, we were delighted to see new talent with diverse backgrounds in audit, insurance and the police join our Audit and Risk and Advisory Committees. Our culture continues to develop, we were delighted to receive Silver Fair Play employer status from Chwarae Teg. This year, in the wake of Black Lives Matter we published our first Race and Ethnicity at Work Charter.

We also took the step of recruiting our first HR Business Partner, a move intended to build on the values-based culture that we have striven to build over the years, but which now seems even more essential as remote working becomes an increasingly likely feature of the 'new normal'.

In January I was privileged and very pleased to see the Senedd vote 48-2 in favour of extending my term of office to March 2022.

Despite all the challenges of the past year, I genuinely feel that this annual report reflects well on the office and our people, and I hope that the following year brings greater 'normality' to all our lives, and less (though not no) working from my front room.

**Nick Bennett**

**Public Services Ombudsman for Wales**





## About us

We have three main roles:

1. Investigate complaints about public services.
2. Considering complaints about breaches of the Code of Conduct by elected members.
3. Driving systemic improvement of public services.

We are independent of government and the service we provide is free of charge.

## Complaints about public service providers

Primarily we consider complaints about services provided by devolved public bodies in Wales, including:

- local government (county and community councils)
- National Health Service (including GPs and dentists)
- registered social landlords (housing associations)
- Welsh Government, and its sponsored bodies

We can also consider complaints about privately arranged or funded social care and palliative care services and, in certain specific circumstances, aspects of privately funded healthcare. We examine complaints about maladministration, service failure, or failure to provide a service. If people have been treated unfairly or inconsiderately or have received a bad service through some fault of the service provider, we can recommend redress, or changes in process to ensure that mistakes are not repeated.

“I am grateful to you...for taking the time to review this case thoroughly...your email does indicate such a thoughtful and impartial consideration...”

## Code of Conduct complaints

Our second role is to consider complaints that elected members of local authorities have breached their authority’s Codes of Conduct, which set out the recognised principles of behaviour that members should follow in public life.

These local authorities include:

- county and county borough councils
- community councils
- fire authorities
- national park authorities
- police & crime commissioners and police & crime panels

We are a “prescribed person” under the Public Interest Disclosure Act for raising whistleblowing concerns about breaches of the Code of Conduct by members of local authorities. Further explanation can be found in the [Whistleblowing section of the Report](#).

## **Systemic improvement of public services**

Our third role is to drive broader improvement of public services. Our office was equipped with new proactive powers to drive systemic improvement under the Public Services Ombudsman (Wales) Act 2019 (PSOW Act 2019).

We can undertake investigations on our own initiative even if we have not received a complaint, if we believe that there is maladministration resulting in personal injustice. More information about our work on our own initiative investigations can be found in the [Own Initiative section of this Report](#).

We can now set complaints standards for public bodies in Wales. We can publish a statement of principles concerning complaints handling procedures for bodies and set model complaints handling procedures for public bodies listed in the Act. We monitor the performance of public bodies in complaint handling, including reviewing their complaint handling data. [The Compliance section of this Report](#) details how we have taken this power forward.

The first UK ombudsman’s office equipped with full and operational powers to drive systemic improvement.

# Snapshot of the Year

## April

'Justice Misaid' Thematic Report published.



## June

Started our virtual 'walk' from Pencoed to Bangor to promote staff wellbeing during the pandemic.



## August

Race and Ethnicity at Work Charter launched.  
Wellbeing sessions launched for staff.



## October

2 x Public Interest reports published on inadequate health care.



## December

2 x Public Interest reports on failures to implement recommendations from the Ombudsman and missing referral times for treatment.



## February

Welsh Language Standards came into operation.



## May

Investigations into GP and Primary Care cases resumed following positive engagement with the BMA.



## July

Certified Investigative training for case work staff completed.



## September

Complaints Standards training begins for local authorities.



## November

Health Board Complaints Standards launched.



## January

Own Initiative investigation into Homelessness started.  
2 x Public Interest Reports on failings to provide suitable end-of-life care and diagnosis.



## March

'Good Practice' Thematic report published and Public Interest reports on failings in clinical clarity and decision-making and application of lawful planning procedures.



## Our Key Performance Indicators

We measure our performance against a challenging set of Key Performance Indicators (KPIs). The table below presents an overview of our KPIs. We discuss these figures in more detail throughout this Report. You can navigate to the relevant sections of the Report by clicking on the KPI title in the table below.

Key Performance Indicators	2020/21 Target	2020/21	2019/20
<b>1. <a href="#">Complaints about public bodies - decision times</a></b>			
Decision that a complaint is not within jurisdiction < 3 weeks	90%	94%	95%
Decision taken not to investigate a complaint (after making initial enquiries) < 6 weeks	90%	85%	92%
Where we seek early resolution, decision within 9 weeks	90%	88%	94%
Decision to investigate and start investigation within 6 weeks of the date sufficient information is received	80%	65%	67%
Complaints about public bodies which are investigated – cases closed			
Cases closed within 12 months	85%	52%	81%
<b>2. <a href="#">Code of Conduct complaints – decision times</a></b>			
Decision taken not to investigate within 6 weeks	90%	90%	93%
Decision to investigate and start investigation within 6 weeks of the date sufficient information is received	80%	76%	86%
Code of Conduct complaints which are investigated - cases closed			
Cases closed within 12 months	90%	50%	88%
<b>3. <a href="#">Customer satisfaction</a>*</b>			
Easy to find PSOW	91 / 98%	85 / 97%	85 / 97%
Service received helpful	63 / 83%	62 / 91%	62 / 91%
Clear explanation of process and decision	65 / 89%	63 / 96%	63 / 96%

\*The results are presented for all respondents (the first figure) as well as those satisfied with the outcome (the second figure).

Key Performance Indicator	2020/21 Target	2020/21	2019/20
<b>4. <a href="#">Compliance</a></b>			
% of recommendations made, due and complied with by public service providers in the year	N/A	74%	72%
Number of compliance visits	6	7	4
<b>5. <a href="#">HR</a></b>			
Completion of PRDP (appraisal) reviews	100%	100%	100%
Employee response to staff survey*	N/A	*	92%
<b>6. <a href="#">Staff training</a></b>			
% of staff achieving target number of days of continuing professional development	95%	77%	93%
<b>7. <a href="#">Staff attendance</a></b>			
Average number of days lost through sickness per member of staff	6.5	3.0	9.0
% of working days lost through staff sickness	2.5%	1.14%	3.4%
% of working days lost through short term sickness	1%	0.62%	1.0%
% of working days lost through long term sickness	1.5%	0.52%	2.4%
<b>8. <a href="#">Financial</a></b>			
Cash repaid to Welsh Consolidated Fund	< 3%	0.4%	1.0%
Unit cost per case	£700	£674	£669
Support costs as percentage of budget	< 5%	4.1%	4.3%
External Audit Opinion on Accounts	Unqualified accounts	Unqualified accounts	Unqualified accounts
Internal Audit Opinion on internal controls	Substantial Assurance	Substantial Assurance	Substantial Assurance
<b>9. <a href="#">Complaints about us</a></b>			
Number of complaints received	N/A	26	36
Number of complaints upheld	N/A	5	7
<b>10. <a href="#">Sustainability</a></b>			
Waste (kg)	26,000	3,988	26,996
Electricity (kWh)	104,000	71,668	104,521

\*No staff survey was carried out this year.



# Deliver Justice

## **Strategic Aim 1**

We strive to be a fair, independent, inclusive and responsive complaints service. We continue to deliver justice to the people of Wales by handling complaints about maladministration by public service providers and allegations of breaches of the Code of Conduct by elected members. When we intervene after considering a complaint, we want to ensure that we remedy injustice and drive systemic improvement.

## A short guide to terminology

<b>Caseload:</b> all cases handled by the office.	<b>Case:</b> any engagement with our office by a member of the public.
<b>New Caseload:</b> all new cases we received in the year.	<b>Closed Caseload:</b> all cases we closed in the year. This includes cases we may have received in previous years.
<b>Enquiry:</b> a case where a member of the public contacts us with a general query, does not have the required information to submit a complaint, or the matter in question clearly falls into the remit of another body. In such circumstances we offer advice or signpost people as necessary.	<b>Complaint:</b> a case where the required information has been submitted for us to assess its merits. Following an assessment of the information provided, we determine to either investigate the complaint further, seek an early resolution or reject the complaint.
<b>Intervention:</b> a complaint outcome when we decided that it is appropriate to take an action - uphold a complaint or propose an alternative remedy or voluntary settlement.	<b>Referral:</b> a type of intervention in the Code of Conduct cases where we refer a matter to a Standards Committee or the Adjudication Panel for Wales for consideration. This may be because the matter cannot be concluded in any other way or because it features serious breaches of the Code.
<b>Outcome:</b> our decision after we have considered a complaint.	



Our casework trends help to highlight some possible changes in performance of public bodies and conduct of elected members. Compared to 2019/20, this year:

<b>16%</b>	We received 16% fewer complaints about public bodies. It is likely that Covid-19 has affected both the number and type of complaints we have received this year.
<b>22%</b>	We saw a 22% fall in new complaints about Health Boards. It is likely that this reduction was as a result of the impact of the pandemic on health services.
<b>20%</b>	We intervened in 20% of the complaints about public bodies, the same as last year. We also referred 3% of complaints about breaches of the Code of Conduct to a Standards Committee or the Adjudication Panel for Wales.
<b>47%</b>	We received 47% more allegations of breaches of the Code of Conduct.

We also work to ensure that we offer the best possible service and that we are accessible to all people who need us. In 2020/21:

<b>51%</b>	51% of respondents to our customer satisfaction survey were satisfied with the service received. This is a reduction on last year's figures.
<b>99%</b>	However, approval rises to 99% amongst those satisfied with the outcome of their complaint.

## Our work at a glance

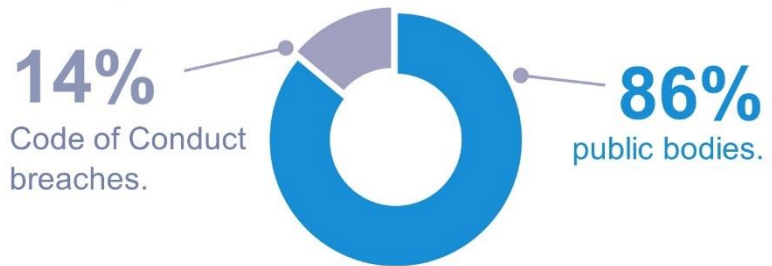
**61%**  
of people contacting us were provided with advice or directed to other sources of help.

 **3,774**  
enquiries


 **2,409**  
complaints

 **47%**  
more Code of Conduct complaints compared to last year.

### Complaints about



Closed complaints about **public bodies**

 **1,687**  
Assessments

- 212** resolved early with the public body
- 346** out of our jurisdiction
- 658** unable to investigate\*
- 471** were made to us prematurely

 **248**  
Investigations

Closed complaints about **Code of Conduct breaches**

- 10** were withdrawn.
- 255** closed after initial consideration.

 **265**  
Assessments

 **24**  
Investigations

## Our caseload volumes and trends

### Caseload overview

#### New caseload

Every year, we are contacted by thousands of individuals. In 2020/21 the number of contacts with our office decreased by 14% to 6,183.

We welcome all contacts with our office, and we continue to work to raise awareness of our role and powers to help people understand when and how we can help. Around 61% of new cases were enquiries that we were able to provide with advice or direct to other sources of help rather than complaints.

#### Closed caseload

This year, we closed 12% fewer complaints overall. Whilst the number of closed complaints about public bodies decreased, we saw an increase in the number of closed complaints about breaches of the Code of Conduct.



The start of the 2020/21 financial year coincided with the start of the first wave of the Covid-19 pandemic. We were mindful and considerate of the impact that the pandemic was having on frontline services in Wales and did not want to burden public bodies unnecessarily at the start of the first wave. We developed a constructive

dialogue between the office and the public bodies we investigate, to understand their position and to explain how we would respond. This was to make sure it would work for everyone and to make sure we were maintaining a service for complainants. This dialogue has continued over the year, and we have adapted as public bodies have too.

There was a momentary pause in starting new investigations and in sending out draft reports and final reports that included recommendations. Following engagement with the BMA, there was also a short period of time where we suspended all GP investigations due to the particular impact on GPs. Performance in the first half of the year saw aged cases increase for these reasons.

However, as the landscape in terms of the pandemic improved, public bodies adapted to these new circumstances and so did we, investing in technology and our staff so they could work effectively at home. As a result, our performance improved over the second half of the year, bringing down the number of cases. Despite the disruption, we still managed to reduce the number of cases open at year end, from 489 in 2019/20 to 410 in 2020/21.

The number of complaints that we close differs from the number of complaints received. This is because some of the complaints closed in 2020/21 were received in the previous year, and some complaints received in 2020/21 will be closed in 2021/22.

## Complaints about public bodies

### New complaints about public bodies

↓16%

#### General trends

In 2020/21, we received 1,874 new complaints about public bodies, a 16% reduction on last year.

Covid-19 has affected both the number and the type of complaints we received this year, so comparisons with the previous performance must be made with caution. Covid-19 impacted a wide number of services, including complaint handling services in public bodies in Wales. It is possible that some members of the public were more reticent about making complaints, recognising the exceptional pressure that public services were under.

There was, however, an increase in the number of complaints about complaint handling. On its own, the number of new complaints reaching our office does not tell the whole story about the performance of public services, but our new Complaints Standards powers are starting to build a better picture of the complaints handled by the wider public sector. More details about our Complaints Standards work can be found in the [Complaints Standards section of this Report](#).

### **Deliver Justice: Reference 202002115**

During the Covid-19 pandemic, a complainant was unable to access health services as these were arranged by phone, and her telephone was unable to accept calls from withheld numbers. This was for reasons associated with her health. The Health Board and her GP practice agreed to consider and confirm what adjustments could be made, in accordance with the Equality Act 2010, to ensure she could access its services.

The next sections discuss in more detail the trends in our new complaints about NHS bodies and local authorities.

We categorise our complaints based on their primary subject. The table shows the main subjects of new complaints about public bodies reaching our office and changes compared to 2019/20:

<b>Subject</b>	<b>2020/21</b>	<b>2019/20</b>
Health	39%	41%
Housing	13%	15%
Complaint handling	12%	9%
Social services	9%	8%
Planning and building control	7%	7%
Covid-19	3%	0%
Other	17%	20%

We also record our complaints by the type of public body complained about. Our new complaints related to the following groups of bodies:

Body	2020/21	2019/20	%
NHS Bodies (including Health Boards, NHS Trusts, Dentist, GPs, Opticians and Pharmacists)	802	1020	-22%
Local Authorities (including County/ County Borough Councils and School Appeal Panels)	793	890	-11%
Social Housing sector (housing associations)	170	202	-15%
Welsh Government and its sponsored bodies	56	68	-18%
Community Councils	18	27	-33%
Other	35	35	0%
<b>Total</b>	<b>1,874</b>	<b>2242</b>	<b>-16%</b>

↓21%

#### New complaints: NHS bodies

Of all new complaints about public bodies, 802 related to NHS bodies, a reduction of 21% from last year. NHS bodies make up 43% of all complaints.

As in previous years, Health Boards accounted for the highest number of complaints about NHS bodies. However, with the exception of Cwm Taf Morgannwg University Health Board, there has been a significant reduction in the number of complaints this year. The table below presents a detailed breakdown of new complaints about these bodies compared to 2019/20.

Health Board	2020/21	2019/20	%
Aneurin Bevan University Health Board	96	140	-33%
Betsi Cadwaladr University Health Board	184	227	-19%
Cardiff and Vale University Health Board	62	100	-38%
Cwm Taf Morgannwg University Health Board	86	80	8%
Hywel Dda University Health Board	64	92	-30%
Powys Teaching Health Board	16	23	-30%
Swansea Bay University Health Board	79	91	-13%
<b>Total</b>	<b>587</b>	<b>753</b>	<b>-22%</b>

The table below show shows that most health-related complaints were associated with clinical treatment.

Type of Health related complaint	%
Clinical treatment in hospital	54%
Clinical treatment outside hospital	28%
Ambulance Services	4%
Appointments/admissions/discharge and transfer procedures	2%
Continuing care	2%
Medication > Prescription dispensing	2%
De-Registration	1%
Funding	1%
Medical records/standards of record-keeping	1%
Non-medical services	1%
Patient list issues	1%
Confidentiality	<0%
Other	5%

### **Delivering Justice: Reference 201906799**

The Ombudsman found shortcomings in Betsi Cadwaladr University Health Board's assessment, investigation and diagnosis of Mr D's brainstem stroke, until it was too late for treatment options to be considered. Although the investigation was not able to determine whether treatment would have made a difference to Mr D's outcome, it found that the loss of the opportunity to have potential treatment options discussed was a significant injustice.

The Ombudsman recommended that the Health Board should:

1. Apologise to Mr D and Mrs D.
2. Make a financial redress payment of £1,500.
3. Share the report with the doctors involved in the interests of improving their clinical practice.
4. Develop an action plan to address the failings identified in the report within 3 months.

**791****New complaints: Local Authorities**

Of all new complaints about public bodies, 791 were about Local Authorities (including school appeals) —a decrease of 11%.

The table below shows the number of complaints we received about each council excluding school appeals. The number of complaints is not necessarily an indicator of poor service.

<b>Local Authority</b>	
Blaenau Gwent County Borough Council	15
Bridgend County Borough Council	31
Caerphilly County Borough Council	46
Cardiff Council	96
Carmarthenshire County Council	27
Ceredigion County Council	32
Conwy County Borough Council	32
Denbighshire County Council	32
Flintshire County Council	59
Gwynedd Council	30
Isle of Anglesey County Council	18
Merthyr Tydfil County Borough Council	15
Monmouthshire County Council	20
Neath Port Talbot Council	19
Newport City Council	31
Pembrokeshire County Council	28
Powys County Council	38
Rhondda Cynon Taf County Borough Council	40
Swansea Council	73
Torfaen County Borough Council	12
Vale of Glamorgan Council	39
Wrexham County Borough Council	43



These complaints relate to a variety of subjects. The main subjects in 2020/21 are listed in the table below.

<b>Received complaint subject</b>	
Planning and Building Control	16%
Housing	15%
Children's Social Services	14%
Complaints Handling	14%
Environment and Environmental Health	8%
Adult Social Services	7%
Roads and Transport	7%
Covid-19	5%
Finance and Taxation	3%
Education	2%
Benefits Administration	2%
Community Facilities, Recreation and Leisure	1%
Licensing	1%
Health	1%
NHS Independent Provider	<0%
Various Other	4%

## Delivering Justice: Reference 201906728

Cardiff Council's Social Services failed to fulfil its statutory duties towards Mr A, and he was left without care. They had also failed to consider the impact of these changes on Mr A's dignity, his ability to live independently, and to exercise choice and control, engaging his Human Rights under Article 8 (respect for home, private and family life).

The Council behaved in a way that was procedurally unfair by not providing him with enough information to understand the basis of the changes to his care package, or to be able to challenge them. This was enough to engage Mr A's Human Rights under Article 6 (right to a fair hearing, linked to due process).

The Council delayed responding to some of the preliminary findings of the stage 2 investigation, so opportunities were lost to put matters right as soon as possible. The Council agreed to undertake the following, in settlement of the complaint:

1. Issue a further, meaningful apology.
2. Make redress payments totalling £8000.

## Closed complaints about public bodies

**1,934**

### General trends

In 2020/21, we closed 1,934 complaints about public bodies - 15% lower than the previous year. Our casework has been impacted by the Covid-19 pandemic, and the need for us to take account of the pressures on public services.

When we receive a new complaint, we undertake an initial assessment to determine whether we can and whether we should investigate.

The PSOW Act 2019 set out key criteria that must be considered before we investigate. These include a requirement that the body complained about has had a reasonable opportunity to resolve the complaint and that the complaint is made to us within 12 months of the events complained about. If these criteria are not met, the complaint will generally be closed at assessment stage.

In 2020/21, we closed 87% complaints about public bodies at assessment stage. This is a similar proportion to the figures from last year and reflects the number of complaints we receive relating to matters outside our jurisdiction, and those made to us prematurely, generally, where the service provider had not had the opportunity to resolve the matter.

This suggests that there is more work for us to do to make potential complainants aware of our role and the extent of our powers. More information about our outreach and communication work is presented in our [Accessibility, awareness and outreach section of this Report](#).

The proportion of complaints we closed that related to complaint handling has also nearly doubled. This demonstrates the importance of good complaint handling by public bodies and reinforces the value of our new proactive powers in supporting effective complaint handling. We anticipate that the numbers of complaints about handling of complaints will start to decline as the learning from our complaints standards training that we launched in September 2020, is embedded across public bodies.

Compared to 2019/20, in 2020/21 the proportion of complaints that we investigated following the assessment stage, was similar to last year at 13%. There was a slight increase to 84% in the proportion of complaints that we investigated that related to health.

## Complaints about public bodies closed

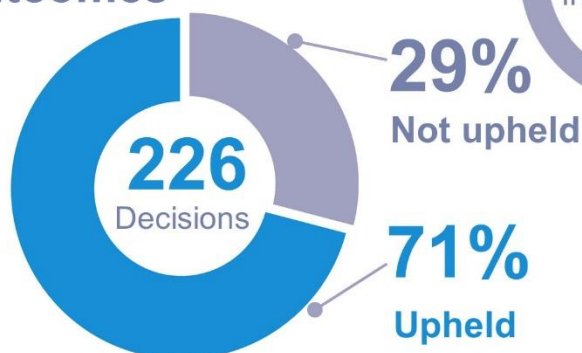


- 212** resolved early with the public body
- 346** out of our jurisdiction
- 658** unable to investigate\*
- 471** were made to us prematurely



## Investigation outcomes

- 11** complaints were settled voluntarily.
- 11** investigations were discontinued.



\*Reasons 'Unable to investigate': more than 12 months since awareness of hardship or injustice; the complainant has access to alternative legal remedy; there is no evidence of maladministration; unable to achieve the outcome sought; not proportionate; no direct hardship or injustice suffered.

### Delivering Justice: Reference 202003637

A woman with a package of mental healthcare provision had moved from England to Wales. The NHS in England had confirmed that it would fund her mental healthcare in Wales. Despite this, and despite many months of waiting, the Welsh Health Board had not made the necessary arrangements with the English body to agree the funding to allow for her care to be transferred. The complainant's mental wellbeing was being affected by the delay. The Health Board agreed to hold the necessary meetings to agree funding within 2 months and to establish a timeframe for the transfer of care.

A key measure of the overall performance of public services is the proportion of complaints in which we intervened – that is, where we decided that there was evidence of maladministration or service failure which required action. In 2020/21, we found grounds to intervene in 383 or 20% of our closed complaints, the same rate of intervention as last year.

We continue to use early resolution interventions during the assessment stage where possible as this provides a timely and positive outcome for all parties. This year, early resolutions accounted for approximately 63% of our interventions overall—an increase on the figures from last year.

Our rate of interventions in health cases increased from 26% to 29%. This means that we found maladministration and service failure in a smaller proportion of health cases that we closed.

When we intervene after considering a complaint, we want to ensure that we remedy injustice and drive systemic improvement. More information on the recommendations we make in cases that we intervene in can be found in the [Recommendations section of this Report](#).

**860****Closed complaints: NHS bodies**

In 2020/21, we closed 860 complaints against NHS bodies. This is a drop of 18% from last year to the previous year.

Of the closed complaints about NHS bodies, 630 related to Health Boards. The table below presents our intervention rate in complaints about individual Health Boards compared to last year.

<b>Health Board Intervention rate</b>	<b>2020/21</b>	<b>2019/20</b>
<b>Current Health Boards</b>		
Aneurin Bevan University Health Board	36%	33%
Betsi Cadwaladr University Health Board	35%	31%
Cardiff and Vale University Health Board	29%	28%
Cwm Taf Morgannwg University Health Board	23%	15%
Hywel Dda University Health Board	45%	32%
Powys Teaching Health Board	29%	54%
Powys Teaching Health Board - All Wales Continuing Health	0%	31%
Swansea Bay University Health Board	31%	11%
<b>Former Health Boards</b>		
Abertawe Bro Morgannwg University Health Board	100%	72%
Cwm Taf University Health Board	100%	43%
All Health Boards	33%	31%

We continue to handle a few complaints about two former Health Boards, Abertawe Bro Morgannwg UHB and Cwm Taf UHB. These Health Boards accounted for the highest intervention rates by us this year.

However, these intervention rates are skewed by the fact that the closed complaints against these Health Boards comprised a very small number of complaints carried over from the previous 2 years that required investigation - with those not requiring investigation generally closed in 2018/19.

# 924

## Closed complaints: Local Authorities

In 2020/21, we closed 924 complaints against Local Authority bodies— a slight increase than the previous year. Of these, 856 related to County Councils and County Borough Councils. Our intervention rate in complaints about the Councils remained at 13%.

The rate of intervention for councils can be viewed in the table below.

Local authority intervention rate	2020/21	2019/20
Blaenau Gwent County Borough Council	6%	29%
Bridgend County Borough Council	7%	17%
Caerphilly County Borough Council	7%	12%
Cardiff Council	26%	17%
Cardiff Council- Rent Smart Wales	0%	33%
Carmarthenshire County Council	21%	8%
Ceredigion County Council	13%	21%
Conwy County Borough Council	16%	13%
Denbighshire County Council	6%	13%
Flintshire County Council	18%	29%
Gwynedd Council	19%	17%
Isle of Anglesey County Council	6%	16%
Merthyr Tydfil County Borough Council	0%	0%
Monmouthshire County Council	5%	0%
Neath Port Talbot Council	6%	10%
Newport City Council	17%	16%
Pembrokeshire County Council	12%	18%
Powys County Council	9%	17%
Rhondda Cynon Taf County Borough Council	5%	12%
Swansea Council	13%	14%
Torfaen County Borough Council	0%	8%
Vale of Glamorgan Council	13%	23%
Wrexham County Borough Council	13%	19%
<b>All local authorities</b>	<b>13%</b>	<b>15%</b>

During the year we have continued to engage intensely with Local Authorities as part of our Complaints Standards role to drive improvement in public services.

### **Delivering Justice: Reference 202003819**

As a result of the pandemic, a Council required a parent to wear a face mask during contact with his children. He said he was exempt from wearing a mask on health grounds. The Council asked him to provide evidence of his medical condition and, if not wearing a mask, required him to remain 3 metres away from his children during contact. The Council's guidance on Face-to-Face Contact appeared to treat all individuals refusing to wear a face covering in the same way and failed to take account of individual circumstances. This resulted in the complainant being treated differently from others as a result of his condition. The Council agreed to review its guidance to consider whether it complied with Welsh Government Regulations and Guidance and equalities and human rights legislation and amendments were made to the policy.

## **Code of Conduct complaints**

### **New Code of Conduct complaints**

This year we received 535 new Code of Conduct complaints (an increase of 47%) and we took forward for investigation 308 complaints.

<b>Body</b>	<b>2020/21</b>	<b>2019/20</b>
Town and Community Councils	167	135
County and County Borough Councils	138	96
National Parks	2	0
Fire Authorities	1	0
<b>Total</b>	<b>308</b>	<b>231</b>

Whilst complaints about members of National Parks and Fire Authorities have remained low, Town and Community Council complaints have increased by 23.7% and County and County Borough Councils complaints by 43.8%. The latter appears to be of particular concern. However, it should be noted that we received 35 complaints about 1 County Council member. Several investigations are ongoing in respect of those complaints.



Within a small number of Town and Community Councils we are still seeing complaints which appear to border on frivolity or are motivated by political rivalry or clashes of personalities, rather than being true Code of Conduct issues.

Where we receive, ‘tit for tat’ complaints we will engage with the Council and the Monitoring Officer of the principal authority to remind its members of their obligations under the Code and their democratic responsibilities to the communities they serve.

We have provided training with Monitoring Officers to town and community council which are responsible for a disproportionately high number of complaints to our office.

We categorise the subject of the Code of Conduct related complaints based on [the Nolan Principles](#), which are designed to promote high standards in public life. The table below shows the proportion of complaints received under each principle when compared to 2019/20:

<b>Subject</b>	<b>2020/21</b>	<b>2019/20</b>
Accountability and openness	4%	11%
Disclosure and registration of interests	14%	17%
Duty to uphold the law	8%	7%
Integrity	12%	10%
Objectivity and propriety	5%	2%
Promotion of equality and respect	55%	49%
Selflessness and stewardship	2%	3%

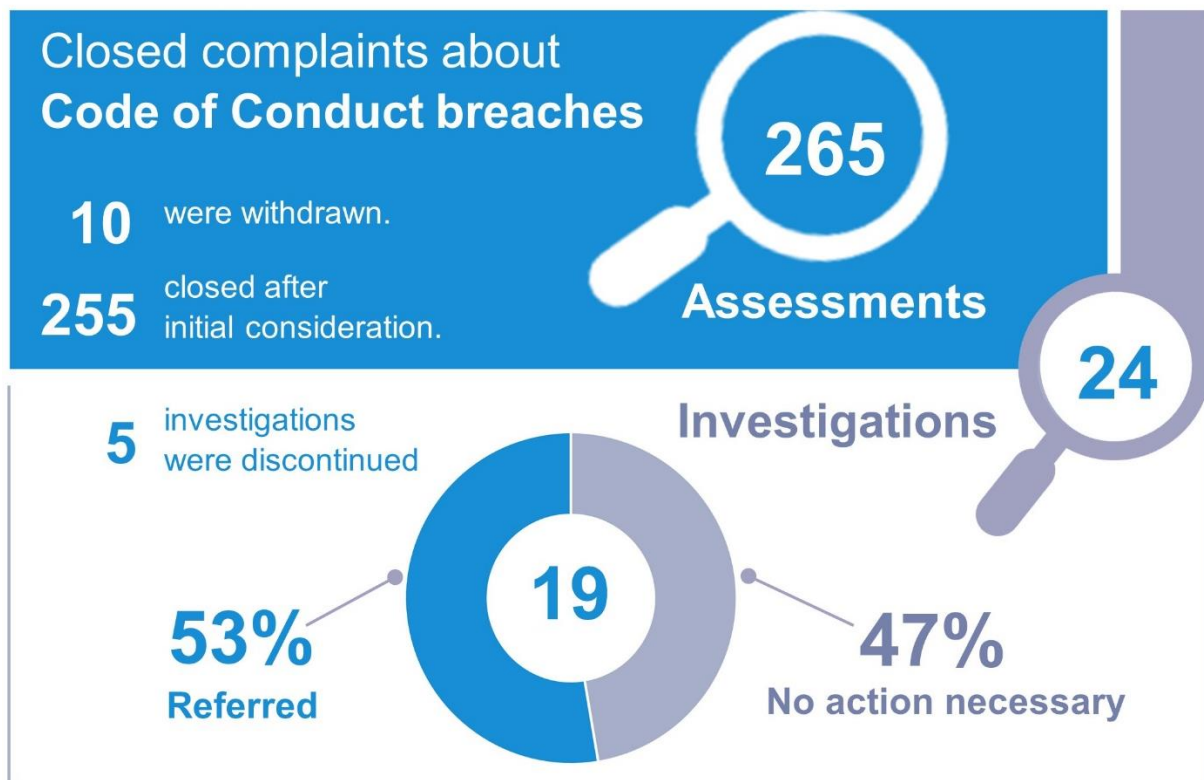
The themes ‘promotion of equality and respect’ (55%) and ‘disclosure and registration of interests’ continue to dominate. There is an annual increase in the number of complaints where bullying behaviour is being alleged.

Code of Conduct training is essential to becoming a ‘good councillor’. Our impression from investigations is that many members of Town and Community Councils often do not take up training opportunities offered on the Code of Conduct. Whilst there is no statutory obligation for members to complete such training, we and the Monitoring Officers across Wales strongly advise them to do so.

## Closed Code of Conduct complaints

This year we closed 289 Code of Conduct complaints. This represented a 23% increase compared to the previous year. Despite the significant increase in the number of complaints received, closures have almost matched that number.

The graphic below presents an overview of outcomes of the Code of Conduct complaints that we closed in 2020/21.



All the Code of Conduct complaints received by our office are assessed against our two-stage test. We consider whether:

- A complaint is supported by direct evidence that is suggestive that a breach has taken place.
- It is in the public interest to investigate that matter.

Public interest can be described as “something which is of serious concern and benefit to the public”.

In 2020/21, we closed 92% of all Code of Conduct complaints after assessment against our two-stage test or after a complaint was withdrawn at the assessment stage. This proportion is higher than the previous year (86%).

The remaining 8% (24) complaints taken forward to investigation represented the most serious of the complaints received. Of these, 10 complaints were referred to the local standards committee or the Adjudication Panel for Wales, a 100% increase on the previous year.

When an investigation is concluded, we can determine that 'no action needs to be taken' in respect of the matters investigated. This can be the case if the member has acknowledged the behaviour (which may be suggestive of a breach of the Code) and has expressed remorse or taken corrective or reparatory action to minimise the impact of it on the individual, the public or the authority concerned.

We made such determinations in 58% (14) of the Code of Conduct investigations this year, a significant decrease on the previous year (85%). This reflects that although fewer cases are being referred for investigation, of those that are, we are finding evidence suggestive of a breach of the Code of Conduct in more cases. This suggests that we are using our two-stage test to good effect and identifying more of the most serious cases at the assessment stage.

Cases which feature serious breaches of the Code, are referred to a Standards Committee or the Adjudication Panel for Wales for consideration. In 2020/21 we made 10 referrals (3%) of all the Code complaints that we closed. This is an increase from 2% last year.

The subjects of the Code of Conduct complaints that we closed this year largely mirrored the subjects of the new complaints received. The majority related to 'disclosure and registration of interests' and 'promotion of equality and respect'.

## Referrals

In 2020/21 we made:

- 6 referrals to Standards Committees.
- 4 referrals to the Adjudication Panel for Wales.

The Adjudication Panel for Wales and the Standards Committees consider the evidence we prepare, together with any defence put forward by the member concerned. They then determine whether a breach has occurred and if so, what penalty, if any, should be imposed.

There were 6 referrals to the Standards Committees this year. At the time of writing 5 are yet to be concluded. The matter which has already been considered related to a former member of Laleston Community Council who used Council funds for personal items. The Standards Committee issued a censure, the only sanction available to it as the member had resigned. A Standards Committee also considered 2 cases which were referred to it in the previous year, relating to 2 members of Conwy Town Council who had failed to disclose an interest in business relating to a member of staff who had made a bullying complaint against them which had not been resolved at the time of the events. Both members were suspended for 1 month.

There were 4 referrals to the Adjudication Panel for Wales. 2 have already been considered. The first concerned the conduct and behaviour of a member in relation to their failure to disclose their personal and prejudicial interests and their actions towards a member of staff. In this case the member of Merthyr Tydfil County Borough Council was suspended for 7 months. The second related to Facebook posts made by a member of Sully and Lavernock Community Council, which contained extreme and gratuitous violent references about female politicians. The member was disqualified for 15 months. Two other referrals have been made and are yet to have been considered by the Adjudication Panel.

In 20/21 the Adjudication Panel for Wales and the Standards Committees upheld and found breaches in 100% of our referrals.

## Lessons

Despite the increase, we make referrals only in a very small number of complaints. The increase in the number of complaints referred for further consideration in respect of potentially serious breaches of the code last year, is of concern and suggests there has been some decline in member conduct. Of the complaints referred for hearing which are yet to be determined, it is concerning that the complaints suggest disreputable conduct and that some members may have misused their positions as members.

Nevertheless, our investigations and the outcomes of these case referrals demonstrate the importance of standards of conduct in public life and provide a helpful indication to members of all authorities as to the behaviours expected of them.

We are currently trialling a change in process which we anticipate will reduce the time taken to decide whether a complaint should be investigated and improve overall investigation times. Where appropriate, we also want to give members the opportunity to account for their own actions, even when we do not refer a case for hearing because it does not meet our public interest test.

We use our investigation as an opportunity to promote good practice and training opportunities for members. We have revised and consulted upon our Code of Conduct Guidance for members of local authorities in Wales. [The revised Guidance can be found here.](#)

The new duties in the Local Government & Elections Act 2021 bring welcome additions to the ethical framework, which should help encourage greater local ownership and accountability for conduct matters, when these provisions come into force in May 2022.

We look forward to contributing to the Welsh Government's review of the ethical framework, which in Wales has been in operation for approaching 20 years.

## Whistleblowing disclosure report

Since 1 April 2017, the Ombudsman is a 'prescribed person' under the Public Interest Disclosure Act 1998. The Act provides protection for employees who pass on information concerning wrongdoing in certain circumstances.

The protection only applies where the person who makes the disclosure reasonably believes that:

1. They are acting in the public interest, which means that protection is not normally given for personal grievances.
2. The disclosure is about one of the following:
  - Criminal offences (this includes financial improprieties, such as fraud).
  - Failure to comply with duties set out in law.
  - Miscarriages of justice.
  - Endangering someone's health and safety.
  - Damage to the environment.
  - Covering up wrongdoing in any of the above categories.

As a 'prescribed person' we are required to report annually on whistleblowing disclosures made in the context of Code of Conduct complaints only.

In 2020/21 we received 36 Code of Conduct complaints that would potentially meet the statutory definition of disclosure from employees or former employees of a council. The disclosures mostly related to allegations that the members concerned had 'failed to promote equality and respect'. Eleven complaints were investigated. Investigation is continuing into 10 complaints and 1 was discontinued as the investigation was no longer in the public interest.

The 2 complaints ongoing from 2019/20 were concluded. One was referred to the Standards Committee. The former Member received a censure for misusing funds. The second was referred to the Adjudication Panel for Wales. The Member was suspended for failing to declare an interest and poor behaviour towards a member of staff.

## Timeliness

We are conscious of the need to deliver a timely service. We need to investigate thoroughly, consider the views and comments of complainants and public bodies and draw on professional advice when needed.

2020/21 proved to be a hugely challenging year. The pandemic affected the ability of public bodies to engage with us on complaints. The switch to our staff working at home was achieved smoothly, but this, coupled with disruption to normal schooling and childcare arrangements of staff, has also affected our ability to progress our casework. We temporarily suspended ongoing health and GP investigations during the early weeks of the pandemic and, mindful of the pressures on public services in the early stages of the pandemic, did not commence new investigations between April and June. This has significantly affected our performance, particularly on the time to start an investigation and to complete our work. The table below shows performance during the year 2020/21.

Key Performance Indicators	2020/21 Target	2020/21	2019/20
Complaints about public bodies - decision times			
Decision that a complaint is not within jurisdiction < 3 weeks.	90%	94%	95%
Decision taken not to investigate a complaint (after making initial enquiries) < 6 weeks.	90%	85%	92%
Where we seek early resolution, decision within 9 weeks.	90%	88%	94%
Decision to investigate and start investigation within 6 weeks of the date sufficient information is received.	80%	65%	67%
Complaints about public bodies which are investigated - cases closed.			
Cases closed within 12 months.	85%	52%	81%
Code of Conduct complaints - decision times.			
Decision taken not to investigate within 6 weeks.	90%	92%	91%
Decision to investigate and start investigation within 6 weeks of the date sufficient information is received.	90%	76%	86%
Code of Conduct complaints which are investigated - cases closed.			
Cases closed within 12 months.	90%	50%	88%

We measure timeliness from the time we receive sufficient information from the complainant. This is so that our reported performance reflects the experience of complainants. However, it also means that our performance is affected by any delays on the part of public bodies, or our clinical advisers to respond to us, as well as the timeliness of our own work. In 2020/21, these factors have had more than impact usual.

We reported last year on the increased complexity of health complaints and on ongoing older cases that would affect our ability in 2020/21 to meet our target of 85% of maladministration or service failure cases closed within 12 months. In 2020/21 we closed only 52% of investigated maladministration/service failure complaints within 12 months. For Code of Conduct cases this was 50%. We have, however, worked hard during 2020/21 to complete investigations, particularly for older cases. Our year-end complaints caseload was 403, compared with 439 at the end of 2019/20, and our open caseload included only 12 cases over 12 months at the year-end. We recognise the importance of timeliness to complainants, Councillors and public bodies, and we will have a continued focus on this in the year ahead.



## Recommendations

When we find fault, we make recommendations to put any injustice right.

In 2020/21:

<b>1,045</b>	We issued 1,045 recommendations to public bodies.
<b>£62k</b>	We recommended over £62,000 of financial redress.

In 2020/21, we intervened in 383 cases. Across these cases, we made 1,045 recommendations - an average of 2.7 recommendations per case.

The most common recommendation that we make is that a body should issue an apology to the person or persons who suffered injustice (23%). This reflects the importance to complainants of receiving an acknowledgement that things have gone wrong and an apology for the failings identified.

We also commonly recommend that a body fully explains its actions to the complainant (6%) or simply responds to their initial complaint (9%).

This highlights the importance of good complaint handling by public bodies.

The next most common group of recommendations concerns procedure change or process review (18%) as well as feedback to staff (14%). These recommendations are particularly important: we aim not only to put right any injustice but also to help public bodies to learn from what went wrong and improve for the future.

Our key contribution is securing justice for individuals and broader improvement of public services. However, where appropriate we can recommend financial redress. In 2020/21, we recommended this in 9% of the cases in which we intervened.

The total amount of financial redress we recommended was £62,350.

## Compliance

Our recommendations aim to put things right, secure justice and improve services for the benefit of the public - not just for those who complain. In 2020/21:

<b>2</b>	We issued 2 special interest reports.
<b>85%</b>	We received evidence of compliance with 85% of recommendations due during the year.

This year, we are also highlighting the impact our recommendations have made on public services.

Although we are aware of how important it is that an individual failing or injustice is put right, we are conscious that the greatest impact we can have is through ensuring that there is systemic learning to generate wider public service improvements as a result of our recommendations.

We always seek the agreement of public bodies to our recommendations. Where public bodies do not agree with our recommendations or settlements, or do not implement the recommendations or settlements agreed, we are able to publish special reports. This year we issued 2 such reports on Cardiff Council and Powys Health Board raised compliance failures. Mr A complained to the Ombudsman in March 2020, via his MP, that, having agreed to complete an independent assessment of his needs in early 2019, a Local Authority had failed to do so. In accordance with his powers, the Ombudsman resolved the complaint (as an alternative to investigation) on the basis of the Council's agreement to conduct an independent assessment of Mr A's needs. When this was not completed, the Ombudsman issued a special report placing a duty on the Authority involved to update the Ombudsman on a weekly basis of progress.

20% of our recommendations highlighted retraining or process reviews. This can lead to significant improvement in public services.



This year, we received evidence of compliance with 85% of the recommendations due to be implemented during 2020/21. For the remaining 15%, evidence of compliance is outstanding, and we will be pursuing this, subject to Covid-19 limitations, in the coming months.

We will continue working with public bodies and reviewing the impact which our recommendations have on services, procedures and outcomes.

## Review and Quality Assurance

We have in place fair and transparent processes for handling review requests on casework-related decisions and for regularly assessing the quality of our casework to ensure it meets our service standards. We share any learning points from these reviews with our staff to support organisational learning. In 2020/21:

<b>216</b>	We had 216 review cases.
<b>205</b>	We completed 205 reviews.
<b>98%</b>	We closed 98% reviews within 20 days.
<b>9%</b>	We identified that we could do more in 9% of the cases reviewed, often where additional evidence was provided by the complainant.

### Case review requests

We have confidence in our investigation process, however, we recognise that complainants may be unhappy with the outcome to their complaint. Our case review process provides an opportunity for our decisions to be reviewed internally.

Case reviews are undertaken by staff who have not been previously involved in the case.

As with most areas of our work, this year saw a slight downturn in our incoming review caseload. The table below presents our review caseload in comparison with 2019/20:

Review cases	2020/21	2019/20
Cases carried over from previous year	5	16
New cases	211	216
Total	216	232
Completed	205	227
Carried over to next year	11	5

We appreciate the need to consider reviews in a timely manner. We aim to complete all requested reviews of casework decisions and respond within 20 working days. We are pleased that we have significantly increased the number of cases meeting this target.

<b>Response time</b>	<b>2020/21</b>	<b>2019/20</b>
Response within 20 days.	98%	83%
Average number of days taken to respond.	12.1	15.5

We may decide to uphold or partially uphold a review for a range of reasons – for example, if the complainant provided additional evidence, information or clarification, or when we considered that we could have done more.

We decided that 19 cases reviewed in 2020/21 should be either re-opened or that some further action should be taken. This represents 9% of the cases reviewed – a slight reduction on last year. To put these 19 cases in further context, they represent 0.8% of all case decisions issued this year.

In 2020/21, although we completed 11% less reviews than in the previous year, we are confident that our review process is operating efficiently and meeting our targets.

## **Quality Assurance**

During 2020/21 we have redesigned our Quality Assurance (QA) process. These changes were implemented from 1 June 2021 and mean that our QA audit will examine, on a monthly basis, a randomly selected sample of our casework dealt with at enquiry, assessment and investigation to ensure that we are operating in line with our service standards. Results from the audit will be fed back to staff and managers each month so that we can quickly identify issues of good or poor practice and ensure learning is identified and cascaded throughout PSOW.

We also undertake Quality Assurance reviews, involving health professionals, of a sample of the clinical advice we receive to help us in our casework.

During 2021/22 we will monitor and review the effectiveness of the QA process to make sure it is operating as planned and delivers the information we require to assure us that our work is meeting our Service Standards.

## Learning lessons

Whether based on reviews or our QA process, we aim to ensure that we consider any lessons we can learn and identify areas for improvement.



Any learning points identified are then cascaded to our staff through team meetings and a designated learning area on our Intranet which publicises learning points as and when they are identified, ensuring we respond quickly. We also consider whether any individual or organisational training needs have been highlighted, and whether any

changes to our policies and procedures are necessary.

An example of learning identified in 2020/21 related to our gaps in our processes for handling case reviews on Code of Conduct cases and informing accused members that a review request has been received and of the outcome. We have now revised our procedures to ensure that this is done in an efficient and timely way, with clear responsibilities designated to specific officers.

During 2021/22 we intend to develop arrangements for how learning identified from across a number of different sources, not just our Review and QA processes, can be drawn together to provide a comprehensive, organisation-wide approach to service improvement.

## Service user feedback

We are dedicated to delivering excellent service. We seek and welcome feedback from our service users and strive to learn from our mistakes.

In 2020/21:

<b>51%</b>	51% of all complainants questioned were satisfied with our customer service...
<b>99%</b>	... rising to 99% amongst those satisfied with the outcome of their complaint.
<b>26</b>	We received new complaints about us.
<b>100%</b>	We responded to 100% complaints about us in 20 days.
<b>22%</b>	We upheld or partially upheld 22% complaints about us.

## Customer satisfaction research

In March we repeated an independent telephone survey of a representative sample of our complainants whose cases were closed during the year. This gives more robust feedback about our service. We continue to collect online satisfaction data, which is open to complainants at any stage of the process. This provides us with some additional insight into what people felt was of value. There is a very strong correlation between the positive perception of our service and complaint outcome.

<b>85%</b>	Agreed we were easy to get in touch with.
<b>77%</b>	Said we treated them with courtesy and respect.

The findings were similar to last year. Those who were satisfied with the outcome remain consistently satisfied with our service. Unfortunately, we cannot help everyone, and those who were not happy with the outcome were less happy with our handling of their complaints. This is perhaps inevitable, given that many of our service users feel very strongly about their cases.

When analysing the findings, we saw a significant increase in satisfaction rates for our Code cases, but regrettably, a reduction in satisfaction with our handling of complaints about public bodies. As last year, positive scores remained higher for cases that we closed at the investigation stage, rather than those we closed after assessment.

“Thanks for a good service, I feel that my complaint has been taken seriously”

We continue to be perceived as being helpful and we kept more complainants updated as agreed. Despite being asked about reasonable adjustments in our hard copy and online complaint forms and in letters acknowledging the receipt of new complaints, there was only a slight increase in the number of people who recalled this offer.

Complainants were less satisfied with our handling of their complaints and their perceptions of the fairness of our decisions, although this perception varied significantly depending on how satisfied the complainant was about the outcome. The scores from the survey that relate to our Service Standards tell us that whilst there has been a small drop in overall satisfaction, complainants who were pleased by the outcome of their case, improved their perception of our service. You can read about our [Service Standards available on our website](#).

“It was a very emotional and lengthy process, but the communication from the admin was superb and professional!”



Our Service Standards	All respondents		Respondents satisfied with the outcome	
	2020/21	2019/20	2020/21	2019/20
1. We will ensure that our service is accessible to all.	63%	65%	81%	77%
2. We will communicate effectively with you.	63%	64%	86%	82%
3. We will ensure that you receive a professional service from us.	52%	57%	91%	89%
4. We will be fair in our dealings with you.	48%	49%	90%	86%

To improve the satisfaction rates for all our complainants, we will be reviewing the ways we communicate, especially during the assessment stage. We will ensure the needs of complainants are reviewed regularly throughout the complaint-handling process and any reasonable adjustments updated to reflect their needs.

### Complaints about us

In 2020/21, we received 26 complaints about our service, and reviewed and closed 25 of these over the year. These complaints provide us with useful feedback about our service and we take them seriously.

We upheld 5 or 22% of the complaints against us, the third year in a row where we have seen a reduction in the number of complaints we have upheld. As a result of these complaints, we have changed some of our communication and review processes, the way we manage our code cases and appointed an autism champion to help improve our understanding of the needs of autistic complainants. The remaining complaints were not upheld or were withdrawn where the complainants had a change of heart.

We responded to all complaints against us within the 20-day timescale we set.

Response Time	2020/21	2019/21	2018/19
Within 20 days	24 (100%)	29 (91%)	29 (94%)
Outside 20 days	0	3 (9%)	2 (6%)


## Independent Review Service

To ensure that we are open and accountable, if a service user is unhappy about how we responded to their complaint about our service, they may ask for their case to be considered by an external independent review service, provided by ch&i. ch&i do not review our case decisions, only the complaints about the quality of service that we provided.

During 2020/21, 7 people referred their complaints to ch&i. All concerned, to some extent, our decision-making, over which ch&i has no jurisdiction. One of the complaints that was externally reviewed was upheld in part, regarding our investigation and compliance processes. ch&i did commend our approach and that of the staff involved to address the issues. We have apologised for escalating the complaint and have established a new Compliance & Improvement Officer role. A compliance factsheet will be completed by the end of June 2021.

## Accessibility, awareness and outreach

We strive to provide an inclusive and responsive complaints service. We want to make sure that people are aware of and trust our service and that we are accessible to all who need us. In 2020/21:

<b>85%</b>	85% of our customers questioned found it easy to contact us.
	We now comply with most of the Welsh Language Standards.
<b>3</b>	We ran 3 sounding boards to understand the needs of our stakeholders.

### Equality Diversity and Inclusion

We are committed to making sure we offer a fair and equal service to all and publish an annual Equality Report with actions to help us improve. [You can read the Annual Equality Report 2020/21 on our website.](#)

Our regular data collection tells us that barriers to our service exist for some people and we are determined to do all we can to make our services as accessible as possible. We have actively engaged with a range of ethnic minority and disability groups to deepen our understanding about why people find it difficult to come to us.

### Accessibility

We strive to be accessible to all those who contact us, and we offer a range of services to support accessibility. We ask complainants to let us know if they need help and support, and we consider and respond to all requests to adjustments.

We can produce the information we provide in a number of formats, such as CD and Braille. We use a number of on-line and face to face services to improve our accessibility. Our website features a 'BrowseAloud' service, which assists the user by providing text-to-speech functionality on our website.

A British Sign Language (BSL) video and a link to the 'SignVideo' (interpreting service for BSL users) are also available on the website. We subscribe to 'Language Line' so we can access translators for those who would prefer to speak in their first language, and our website can be readily translated into a variety of languages.

85% of respondents to our telephone survey stated that they found it easy or very easy to contact us.

## Welsh language

We are committed to ensuring that the Welsh language is welcomed and treated no less favourably than English in all aspects of our work and that we meet the needs of Welsh speakers. We already have arrangements in place to ensure that we can offer a comprehensive bilingual service to people who come into contact with the office.

From January 2021, we now comply with most of the Welsh Language Standards and adopted a revised [Welsh Language Policy which you can read here](#).

## Awareness and outreach

This year's outreach campaign focused on promoting our new powers and engaging with representatives of underrepresented communities including TGP Cymru, Ethnic Minorities & Youth Support Team Wales (EYST), The Wales Strategic Migration Partnership's Resettlement Forum, Learning Disability Wales, Tai Pawb, Autistic UK and the Chinese in Wales Association. These activities helped to increase awareness of PSOW among disability, ethnic minority and migrant communities and we were able to gather feedback on accessibility of our service.

## Oral complaints

We took 63 oral complaints this year against a target of 120. That is a disappointing figure, and we will be specifically looking to improve in this area in 2021/22. A significant factor was that, for almost half of the year, the requirement for staff to work at home prevented us from taking and recording oral complaints in the normal way. We were able to take only a small number of oral complaints, by staff attending the office to do so, in the summer. However, during that time we

procured, installed and configured new telephony software and hardware to enable staff to take oral complaints from their homes and the rates of oral complaints being taken are increasing.

As part of our Outreach Campaign, we spoke to a range of representative groups over the year, including Community Health Councils, support and advocacy groups as well as our sounding boards, about our new oral complaints service. This development was welcomed.

During the next year we will finalise and launch a targeted social campaign to promote our power to receive oral complaints.



# Promote Learning

## **Strategic Aim 2**

We aim to promote learning from complaints and stimulate improvements on a wider scale. This year, we are breaking new ground in this work.




We are the first ombudsman in the UK to be equipped with full and operational powers to establish a Complaints Standards role and to undertake investigations on our own initiative.

In 2020/21, we made large strides in launching our new powers to drive systemic improvement:

- We issued our Model Complaints Handling Policy and accompanying guidance to Local Authorities and Health Boards.
- We provided 90 virtual training sessions to public bodies across Wales.
- We continued the development of standardised data reporting for Public Bodies in Wales.
- We launched our first own initiative investigation at the Chartered Institute of Housing TAI Cymru conference, which was endorsed by Hollywood actor and homelessness activist Michael Sheen.

We continued to inform the policy process in Wales by sharing insights from our work, responding to public consultations and participating in evidence sessions with the Senedd.

We also continued to use a variety of traditional and new formats to communicate lessons from our casework. In 2020/21:

8	We issued 8 public interest reports.		We published our second Equality and Human Rights Casebook.
1	We issued 1 thematic report, 'At Your Service: A Good Practice Guide'.		We issued annual letters to bodies in our jurisdiction.
	We continued to engage directly with the bodies in our jurisdiction and to share intelligence with other scrutiny and regulatory bodies.		

In 2020/21 we once again budgeted funding to be used specifically on the implementation of the new PSOW Act. Spending in the year was as follows:




<b>PSOW Act 2019: Expenditure in 2020/21</b>	<b>£000s</b>
Staff costs	305
Premises	13
Computer Services	7
Communications	2
Office Costs	2
Training	1
<b>Total spent on New Powers</b>	<b>330</b>
Budget	359
<b>Variance</b>	<b>29</b>

We have achieved 91% (2019/20: 92%) of our budgeted funding for the year. This expenditure includes direct costs relating to Own Initiative Investigations and Complaints Standards work, and indirect costs including apportionments of premises costs and software renewals.



## Complaints Standards

The PSOW Act 2019 equipped our office with new powers to drive systemic improvement of public services. The first of these powers is our new Complaints Standards role. It allows us to set model complaint handling procedures for bodies in our jurisdiction. It also allows us to monitor complaint handling by these bodies. In 2020/21:

	We issued our Model Complaints Handling Policy and accompanying guidance to Local Authorities and Health Boards.
	We provided 90 virtual training sessions to public bodies across Wales.
	We continued the development of standardised data reporting for Public Bodies in Wales.

### Model Policies

We originally planned to launch our Model Complaints Handling Policy for Local Authorities on 16 March 2020. Due to the emerging pandemic, we chose not to proceed – but we informed all 22 Local Authorities of our plans. We maintained close working relationships with the Authorities, and following a considered and collaborative approach, decided we would proceed with the policy launch as of 30 September 2020.

Similarly, we engaged widely with teams from Health Boards in the second half of 2020 to discuss our plans and consider opinions on moving forward with our work in the midst of Covid-19. The Health Boards were unanimous in their support for us moving forward – so we issued a model complaints handling policy to Welsh Health Boards and Trusts on 30 November 2020.

Under the PSOW Act 2019, the model policies will come into force 6 months following their introduction – and we have worked extensively with the bodies involved to ensure they are supported in their reviews of current policy.

## Training

For the first time in Wales, the Complaints Standards Authority facilitated training sessions on good complaint handling practice. Whilst we had originally planned face to face sessions with Local Authorities across Wales, the continuing Covid-19 pandemic meant that we needed to change our plans.

Once it became clear that restrictions would remain in place for some time, we moved our training to a virtual platform. Demand from Local Authorities was still strong, so we rebooked the face to face sessions starting in September 2020. At the time of writing, we have now provided 90 training sessions via MS Teams to Local Authorities and Health Boards. The feedback and level of engagement we have received has been incredible, with 97% of respondents to our survey saying that they enjoyed the training, and 100% of respondents commenting that we enrich the training with our experience.

“Probably one of the best training events I have attended and even though it was my first remote session everyone still managed to participate fully.”

“It was the first training I've had in a long time where I come from it thinking it was really worthwhile and beneficial to my role. It was so interactive, I really enjoyed it.”

“delivered excellent training - it was so very relaxed that everyone felt extremely comfortable expressing their thoughts, feelings, concerns and ideas. Thank you both for a really positive experience.”

We will look to build on this excellent start in 2021/22 and consider our training offering so that it evolves to meet varying needs and responds to a post-Covid world.

## Complaints data

We've continued to collect complaints data from Local Authorities and began collecting data from Health Boards in line with our powers under section 40 of the PSOW Act 2019. [More information on this data can be found in our special report on our new powers on our website.](#)

## **Looking forward**

In 2021/22 we will aim to secure more consistent complaint handling and drive service improvements for the benefit of the Welsh public.

Whilst uncertainty about the duration and extent of Covid-19 restrictions makes planning difficult, we intend to:

- Formally issue the Complaints Standards documents to more parts of the Welsh Public Service – including Housing Associations.
- Publish information on complaint handling performance of public bodies via a new webpage, increasing transparency and allowing comparisons between different public bodies.
- Deliver at least 50 days of training (with a notional value of approximately £150,000) free of charge to public bodies.
- Achieve a high level of satisfaction with this training.

## Own initiative investigations

The power to undertake an own initiative investigation was introduced in the PSOW Act 2019. There are 2 different types of own initiative investigations:

- Extended Investigation – The extension of a matter already under investigation.
- Wider Investigation – A stand-alone investigation which does not relate to a complaint made by an individual.

### Extended Own Initiative Investigation

The Ombudsman has started 4 extended own initiative investigations over the past year, 1 of which has been concluded. These are extensions to an existing investigation where there is a substantial connection. It may be that there is a complaint about 1 element of a service, and/or service provider is closely linked to another possible incidence of service failure, and/or another related service provider. The Ombudsman may only begin such investigations where he has reasonable suspicion that there is systemic maladministration, and it must be in the public interest to begin an investigation.

The extended own initiative investigations that are currently being investigated relate to matters where the service elements are connected, and in others there are connected service providers, all with possible service failure. A case which we concluded in the last year was a complaint about Swansea Council from Ms A. She complained that Swansea Council failed to safeguard her children following a safeguard referral in 2016 from a local authority in England where their father lived. During the investigation, the Local Government and Social Care Ombudsman in England provided the Ombudsman with further information that the Council had received similar information previously from the local authority in 2015. The Ombudsman used his powers to extend his original investigation and was able to investigate Ms A's complaint fully. Some maladministration was found during the investigation and a recommendation for an apology, financial redress and a review of practice and procedures was made.

## The First Wider Own Initiative Investigation

The power to undertake an own initiative investigation was introduced in the PSOW Act 2019. Because these investigations do not require a complaint to be made, they can be reactive to matters as they occur, in this case, the noticeable increase of homeless people, particularly street homeless people, in Wales. On 13 March 2020 in accordance with Section 4 the PSOW Act 2019, the consultation was launched for the first wider own initiative investigation, to notify relevant bodies and stakeholders of our intention to undertake an own initiative investigation. The investigation proposed to consider the homelessness assessment and review process.



In response to Covid-19 and the enormous pressure placed on public services to respond to the pandemic, the consultation was placed on hold. During that time consideration was given to the scope of the investigation. It was important to recognise that many of the changes made, as a result of the pandemic were likely to be temporary, the full extent of the legislative framework and its associated obligations remained in place and would need to be reintroduced when the state of emergency ended. It was agreed taking the opportunity to broaden the scope of the investigation to include the local authorities' response to the pandemic, was an opportunity to identify and share good practice as well as new and innovative ways of working.

The consultation for the first own initiative investigation was relaunched on 23 September 2020 at the Chartered Institute of Housing TAI Cymru conference and was endorsed by Hollywood actor and homelessness activist Michael Sheen. The consultation was generally well received, although concerns were raised about the timing of the investigation.

Whilst reassurances were given that any investigation would be undertaken in a sympathetic manner, it was imperative that it was started, particularly as those most affected by the investigation were some of the most vulnerable people in society, many of whom lived on the fringes and had difficulty engaging with

services. Those people who did not have access to the necessary sanitation or the protection of a front door against the virus.

The Proposal document was issued on 20 November 2020. This document outlined the scope of the investigation and named the 3 local authorities selected for investigation, Cardiff Council, Carmarthenshire County Council and Wrexham County Borough Council. Using data from Welsh Government and the Office of National Statistics, the authorities were selected based on the following criteria:

- The volume and prevalence of homelessness assessments completed by the local authorities.
- The number and prevalence of review requests received and overturned by the local authorities.
- The need to include a broadly representative sample, reflecting different areas and demographics in Wales, including both urban and more rural areas.

“Local Authorities have worked incredibly hard in partnership with health, third sector, RSLs and voluntary organisations to bring people in from the streets into temporary and emergency accommodation. I am really proud of how we have responded to the coronavirus crisis however it is important that we reflect and see whether there are any lessons that we can learn from our experiences over these past months. I therefore agree with your proposal to extend the remit of the consultation to include the impact of Covid-19.”

Julie James MS Cabinet Member for Housing and Local Government, Welsh Government (2018-2021)

The first own initiative investigation was started on 4 January 2021. It was envisioned that an own initiative investigation would follow the same process as any other Ombudsman investigation. However, the current pandemic has called for greater flexibility in the process and consideration on new and innovative ways of working, including the use of media platforms like SurveyMonkey and Microsoft Teams to undertake interviews and the offer of resource to assist the authorities to meet the requests for information.

To ensure openness and transparency throughout the process, the Own Initiative Investigation Officer has been available to the local authorities for discussion. Information about the investigation has been shared via the Ombudsman Sounding Boards and, when appropriate, updates have been provided to relevant bodies, including Welsh Government.

### **The importance of own initiative investigation powers**

The power to undertake an own initiative investigation allows us to focus on matters that benefit those most vulnerable in our society, those who do not, or are unable to complain, the seldom heard voices. The Covid-19 pandemic has emphasised how important these powers are to any Ombudsman service if it is to take a proactive approach to improvement, and by using our own initiative investigation power we have the opportunity to make that 'real time' difference and proactively work with local authorities towards the goal of ending homelessness in Wales.

## Public Policy

We continue to inform the public policy process by sharing insights from our work. This year:

**14**

we responded to 14 public inquiries and consultations.

### Focus of our policy work

We use our expertise and the evidence from our casework to contribute to the development of public policy in areas such as health, social care, and local government. We also comment on issues that relate to ombudsman services such as this year's Law Commission review of devolved tribunals in Wales ahead of a new Tribunals Bill for Wales.

We welcomed the opportunity to share evidence from our casework about the impact of the pandemic on complaint handling by NHS bodies and local government, and the types of complaints we received with the Covid-19 inquiries undertaken by the Senedd's Health, Social Care and Sport Committee and the Equality, Local Government and Communities Committee.

The Local Government and Elections (Wales) Act 2021 was passed this year, heralding several significant reforms in local government so many of our contributions in 2020/21 related to local government.

One of these reforms was the establishment of Corporate Joint Committees (CJCs), the new statutory mechanism for regional collaboration, covering 4 areas in Wales. We welcomed Welsh Government's response to concerns we raised in the consultation on the CJCs Establishment Regulations and have designated them as 'listed authorities' in changes to the PSOW Act 2019. As a result, CJCs and their members now fall under our powers to investigate complaints and are subject to complaints handling standards.

The Local Government and Elections (Wales) Act 2021 also brought in a new performance and governance regime for local authorities, now called principal councils. We were pleased to see that following our response to the consultation, the statutory guidance on the performance and governance of principal councils was changed. Our published casebooks, public interest and thematic reports as





well as the evidence from our new powers is included as evidence that principal councils will have to consider when they carry out a self-assessment or a panel assessment on their performance.

Finally, it is always pleasing when your work is used to help others, so we were happy to share a copy of the recent review of our Code of Conduct for members of local authorities in Wales with the Senedd as an example of good practice for the development of the guidance for the new Code of Conduct for Members of the Senedd.



## Sharing our findings

We use a variety of formats to communicate lessons from our casework and are constantly looking for new ways to share information more widely and make it more accessible. In 2020/21:

<b>6</b>	We issued 6 public interest reports.	<b>1</b>	We published 1 thematic report, 'At Your Service: A Good Practice Guide'.
	We published our second Equality and Human Rights Casebook.		
	We continued to engage directly with the bodies in our jurisdiction, especially Health Boards.		

### Public interest reports

Issuing a public interest report remains one of our key tools to highlight systemic problems, promote learning from complaints and ensure that listed authorities are accountable for their services.

This year, we issued 6 public interest reports and 2 special reports on significant issues that other public bodies can learn from. These reports highlight systemic problems, previous failures where lessons have not been learnt from or where a public body refuses to agree to our recommendations.



Six of our reports this year related to healthcare. The first report concerned inadequate eye care by Swansea Bay Health Board. Mrs X was concerned that her daughter's eye injury was not diagnosed sooner. Her daughter, Y, a vulnerable young adult, was living in a specialist residential learning disability unit run by the Health Board and had known self-injurious behaviour. Her eye injury was not monitored as it should have been, and Y was subsequently diagnosed with total retinal detachment and traumatic cataract of the right eye.

By not receiving appropriate level of eye care in line with the requirement to provide Fundamentals of Care, this caused Y an injustice as she was denied the opportunity of a timely referral and clinical review. Poor communication also caused shock, alarm and distress to Mrs X. [You may read the report on this case here.](#)

We published a Special Report regarding the care and treatment of Mrs A's mother by Powys Teaching Health Board after they failed to comply with 2 recommendations from the original complaint and made further recommendations to improve its complaints handling. [You may read the report on this case here.](#)



Betsi Cadwaladr University Health Board failed in providing the referral-to-treatment for Mr Y's prostate cancer within a reasonable timescale, forcing Mr Y to seek private treatment and causing significant distress and anxiety. [You may read the report on this case here.](#)

Our fourth public interest report on health care failings concerned Abertawe Bro Morgannwg University Health Board, prior to the recent re-structure, so was issued to both Swansea Bay and Cwm Taf Morgannwg Health Boards. We were concerned about the lack of care and support received by Mr W before, during and after his oesophageal (relating to the food pipe between the throat and stomach) cancer surgery in February 2018. The Health Board failed to keep Mr W and his wife, Mrs W fully informed about his condition, his prognosis and what to expect. Sadly, Mr W died in September 2018. [You may read the report on this case here.](#)

The investigation into Aneurin Bevan University Health Board's diagnosis and treatment of Mr X's prostate cancer identified numerous failings in his care. There was no clear evidence that Mr X was informed about possible alternative treatments and he therefore consented to an unnecessary procedure to remove his prostate, resulting in significant injustice to him. [You may read the report on this case here.](#)

The final health public interest report also concerned Betsi Cadwaladr University Health Board and its care of the late Mrs B's severe rectal prolapse. Our investigation found evidence that from 2011 clinical decision-making and rationale shown by the Colorectal Surgeons was not in keeping with accepted clinical practice, in favour of high risk and unconventional clinical options. Mrs B was effectively housebound for the last 8 years of her life and suffered years of indignity as she dealt with her severely symptomatic prolapse and the accompanying bowel and urinary incontinence, unable to take up social opportunities, including those recommended for her dementia, which she had been living with since 2014. [You may read the report on this case here.](#)

Two further reports issued by our office this year related to council services.

In December 2020, we issued a special report regarding Cardiff Council's failure to comply, without a reasonable excuse, with an earlier recommendation, regarding an independent assessment of Mr A's needs in early 2019. [You may read the report on this case here.](#)



Our final public interest report concerned maladministration by Flintshire County Council when they granted a Certificate of Lawfulness of Proposed Use or Development (s192 certificate) and retrospective planning consent to Ms N's next-door neighbour, suffering a loss of privacy which had affected her enjoyment of her home and garden, and diminished the value of her property. [The case report can be read here.](#)

Whilst in all these cases we recommended an apology and, in 3 cases, also financial redress, 7 of these cases led us to issue detailed recommendations for wider action, including reviews of existing policies and procedures and improved training arrangements. We will be monitoring compliance with these recommendations and the impact of the changes instituted in the coming months.

## **Thematic reports**

Alongside our new powers to drive systemic improvement, we publish thematic reports based on the analysis of the cases investigated by our office. They are a useful way of highlighting and emphasising the key issues being identified by us on a daily basis.

This year, we published our 5<sup>th</sup> thematic report, *At Your Service: A Good Practice Guide*. In light of the pandemic and the need for public services to “think outside of the box”, we published this report to share good practice we have identified in our casework. [You can read a copy of the At Your Service Report here](#)

## **Casebooks**

We publish information about our casework in the Ombudsman’s Casebook and the Code of Conduct Casebook, published on a quarterly basis, containing summaries of all reports issued. The Ombudsman’s Casebook also contains a selection of summaries relating to “quick fixes” and voluntary settlements relating to public service provider cases. We now publish summaries of our cases when they close. These will appear in date order for those who wish to look at our case summaries regularly. Cases will be categorised to enable topics to be searched.

This year we also published our second Equality and Human Rights Casebook. [You can read the Casebook here](#). We do not make definitive findings about whether a public body has breached an individual’s human rights. However, where we identify evidence of maladministration which has caused injustice, we consider whether a person’s human rights may have been engaged and comment on a public body’s regard for these rights. The Equality and Human Rights Casebook assembles a selection of cases where human rights matters have either been expressly raised as part of the complaint or have been pivotal to our findings.

## **Annual letters**

We continue to send letters on an annual basis to Health Boards and Local Authorities concerning the complaints we have received and considered during the year. The annual letters aim to provide these bodies with information to help them improve both their complaint handling and the services that they provide. All annual letters are published [on our website](#).

## Engagement

An important aspect of our improvement work is direct engagement with the bodies in our jurisdiction and liaison with other stakeholders operating in the sectors which account for most of our complaints.

We continue to focus our main improvement efforts on Health Boards.

We have a small number of investigation officers who also have an improvement officer role. These staff spend a proportion of their time working to challenge and support Betsi Cadwaladr, Aneurin Bevan, Swansea Bay and Hywel Dda University Health Boards. As part of this work, during 2020/21, we:

- Met quarterly with Aneurin Bevan UHB and with health board lead officials from the Healthcare Inspectorate Wales and Audit Wales.
- Held quarterly meetings with the director of nursing and the head of the complaints service at Hywel Dda UHB.
- Met with Lay Chairs who chair Independent Review Panels to consider claims for NHS continuing healthcare funding.
- Delivered training to newly qualified consultants at Swansea Bay UHB.
- Held regular quarterly meetings with Betsi Cadwalader UHB.



We also endeavour to share information and insights with other key stakeholders responsible for the scrutiny of the health sector such as Healthcare Inspectorate Wales, Care and Social Services Inspectorate Wales, General Medical Council, Community Health Councils and Audit Wales, as well as the Welsh Commissioners.



# Use Resources Wisely

## **Strategic Aim 3**

We value and support our staff and are committed to creating an equal, diverse and inclusive workplace. We strive to ensure good governance which supports and challenges us, and we benchmark our work against best practice in the UK and internationally. We also secure value for money and ensure that our services are fit for the future.

<p><b>100%</b></p>	<p>All staff completed their annual Performance Review and Development Process.</p>	<p><b>77%</b></p>	<p>77% of staff completed 28 or more hours of continuing professional development.</p>
<p><b>1.1%</b></p>	<p>We saw the average percentage of working days lost through staff sickness decrease significantly to 1.1% from 3.4% the previous year.</p>		<p>We provided a range of wellbeing activities and coaching sessions to help maintain staff morale during the pandemic.</p>
<p><b>£</b></p>	<p>We reduced our median Gender Pay Gap from 21% in 2019 to 5%, which is below the Welsh average for the public sector (7.3%).</p>		<p>We maintained close links with colleagues in the UK, Europe and around the world.</p>



## Training and development

We support our staff to develop the knowledge and skills essential for their work. In 2020/21:

<b>100%</b>	all staff completed their annual Performance Review and Development Process.
<b>77%</b>	77% of all staff completed 28 hours or more of continuing professional development.

Our staff are key to our service provision and, therefore, ensuring that all staff have the skills, knowledge and attitudes to deliver excellent services is vital. We actively facilitate training and development to ensure we continue to support and develop all staff. In addition, our Performance Review and Development Process enables staff to be clear about their objectives and priorities for the year ahead.

Our emphasis on staff training and development is reflected in an annual assessment of training and development needs for each member of staff, a comprehensive induction programme for new staff, online training for key topics such as equality and in-house training and Good Practice Seminars on specific public services and legislative changes. We also provide skills training appropriate to staff roles.

As a result of the Covid-19 pandemic, face to face training was not possible during the year and much of the external training that staff were due to attend was cancelled, particularly in the early part of the year. This has meant that some staff (23%) have not reached the target number of hours of continuing professional development during the year. We will be supporting and encouraging staff to take up opportunities for online training as this has developed, together with in-person training as this becomes possible again.

Our Performance Review and Development Process involves, for each member of staff:

- A review of the previous year's achievements and the setting of objectives at the start of the year.
- A mid-year review of progress.

New staff, during their induction and probation periods, follow a separate process, with more immediate objectives and priorities set. Staff returning from maternity/adoption leave or long-term sickness have objectives agreed at a point on their return. For all other staff, it is pleasing to note that both formal reviews were completed as planned.





Our focus on the importance of training and development of staff means that we have set a target that all staff achieve at least 28 hours of training and development each year. This year (excluding staff on maternity/adoption leave or long-term sickness) 77% of staff achieved this. We will continue to focus on this in 2021/22, assisted by the appointment of an in-house HR professional for the first time.

As part of our annual Performance Review and Development Process, we consider the effectiveness of the training and development activity completed and we are working to improve the ongoing assessment of training.

## Health and wellbeing

We care for our staff and are proactive in promoting wellbeing in the workplace. In 2020/21:

<b>1.1%</b>	We saw the average percentage of working days lost through staff sickness reduce to 1.1%.
	We continued our focus on staff wellbeing and worked to support staff during a difficult year.
	We maintained and improved Mental Health First Aider support to staff.

Our focus on supporting staff has helped us continue to provide a service throughout the pandemic. It is important that we make sure we support their health and wellbeing. Covid-19 has, of course, had a substantial impact on wellbeing. Our annual health checks for staff were postponed and other wellbeing activities, such as yoga and lunch-time walks, have also been affected but switched to on-line alternatives where possible.

Our sickness absence figures for 2020/21 are improved compared with the previous year, with staff absence averaging 1.1%, compared with 3.4% in 2019/20. 37% of days lost were the result of Covid / long-Covid.

Anxiety and stress accounted for 4% of days lost to sickness, compared with 43% in 2019/20. Whilst these figures can be substantially affected by 1 or 2 cases, it suggests that our support to staff has delivered benefits in a difficult year.

There was no full staff survey in 2020/21, but it was pleasing that a survey of staff on attitudes to returning to the office prompted many positive responses on our handling of the impact of the pandemic.







“The concern and care about staff wellbeing has been exemplary and really appreciated”

“Thank you for being so flexible and supporting our needs”

“Thank you for the excellent support and communication provided to staff through this difficult period”

## Equality, diversity and inclusion

This year, we continued in our effort to ensure that as an employer we promote equality and diversity, and tackle any barriers to inclusion:

	<p>Reviewed our flexible working policy.</p>		<p>We adopted a Race and Ethnicity at Work Charter.</p>
	<p>Appointed a Human Resources Business Partner.</p>		<p>We reduced our median Gender Pay Gap from 21% in 2019 to 5% in 2021.</p>
	<p>Evaluated uptake of equality objectives in the Performance Review &amp; Development Process.</p>		<p>Developed the use of our new Equality Impact Assessment procedure.</p>

### Managing Equality

We have a [Strategic Equality Plan which you can read here](#). We have a staff Equality Group that is responsible for developing and monitoring the equality actions we set ourselves each year. We report on these annually in our [Equality Report which can be read here](#).

### Diversity of our workforce

We continue to monitor the diversity of our workforce and job applicants. We have taken an active approach to improve interest in our organisation by under-represented groups through outreach and recruitment activities.



We are a Disability Confident Committed employer to address the under-representation of disabled people within our workforce and amongst our job applicants.

We are also committed to strengthening our contribution to race equality, justice and inclusion in Wales and published our Race and Ethnicity at Work Charter against the backdrop of the Black Lives Matter protests last summer. [You can read the Charter here](#).

In 2020 we actively promoted any vacancies via support groups of disabled and ethnic minority people, and social media, and took out an advertisement in The Voice, a national Afro-Caribbean weekly newspaper to ensure that our job offers reach under-represented candidates.

Disabled people persistently remain significantly under-represented with only 4% of job applicants and 3% of our workforce stating they were disabled. Whilst ethnic minority staff are proportionately represented in our workforce, they continue to be under-represented in job applicants.

In 2021 we welcomed our new Human Resources Business Partner who sits on our Equality Group and will play a crucial role in listening and actioning concerns from staff and exploring more ways we can positively promote future job opportunities to our priority groups.

### **Our work on gender equality**

Our work as a FairPlay Employer, supported by Chwarae Teg, is showing positive dividends as our median Gender Pay Gap decreased from 21% at March 2019 to 5% at March 2020.

	2020/21	2019/20
% of staff female	76%	75%
Median Pay Gap	5%	11%
Mean Pay Gap	17%	19%

We are aware that, in a relatively small organisation, individual recruitment outcomes can make apparently large differences. Women among our job applicants consistently outnumber men by a significant margin. We also have in place a range of policies and training opportunities to remove barriers to employment or career progression by female staff.



The FairPlay Employer scheme benchmarks organisations in terms of gender equality across 4 levels: bronze, silver, gold and platinum. We were delighted to achieve the FairPlay Employer Award at silver level in

April 2020, having scored above the Welsh public sector average across all the categories assessed.

In 2020/21 we have been acting on the recommendations from Chwarae Teg, with an aim to improve our scores when we are reassessed later this year.

These actions include:

- Targeting diverse populations in our recruitment and selection of new staff.
- Reviewing our flexible working arrangements and evaluating outcomes-based working during Covid-19 lockdowns.
- Scoping new ideas for reward and recognition.

We are delighted to have maintained our Silver Award, with improvements in a number of areas, in our 2021 assessment.

## **Welsh Language**

As we are now subject to the Welsh Language Standards and we continue to measure in more detail the Welsh language skills of our workforce.

Whilst 12% of people stated that Welsh was their main language, and the proportion of people with fairly good or fluent skills was higher:

- Speaking: 21%
- Reading: 24%
- Writing: 21%
- Understanding: 25%

These figures are a reduction on last year's and may have been impacted by Welsh speaking staff being absent due to maternity leave, and people who have left the organisation during the year.

## **Setting personal equality objectives**

As an organisation we are constantly developing our inclusivity and diversity knowledge and skills. Nearly 50% of our staff set diverse equality objectives in their annual reviews of performance in 2020 on topics relating to:

- Access to training.
- Supporting implementation of our Equality Plan and the work of our Equality Group.

- Developing Welsh language skills.
- Supporting equality in recruitment.
- Improving accessibility of our publications.
- Supporting consideration of equality and human rights in our casework.

### **Our Autism Champion:**




With a rise in the number of autistic people that use our service it is important for us to not only be more aware of autism but to be more accepting of this and other neurodiverse conditions.

We are lucky to have a member of staff who has personal experience of autism to assist in raising understanding and acceptance throughout the service who we have appointed to be our Autism Champion.

She is constantly gaining knowledge from various training courses and meetings with autism organisations which is disseminated that information through regular updates and training documents to all our staff.

## Sustainability

We understand that we need to play our part in protecting the environment and continue to develop sustainable working practices. In 2020/21 working arrangements were significantly affected by the pandemic and enforced homeworking for most staff. There have been reductions in waste, energy usage and commuting mileage as a result. Whilst there are likely to be long-term changes to working patterns and arrangements, clearly energy use, waste and commuting will increase when more normal working arrangements are possible:

	We reduced our waste by 85%.		We reduced our energy usage by 31%.
<b>0%</b>	0% of our general waste was sent to landfill.		Commuting mileage during the year was minimal.

### Waste management

In 2020/21, we reduced our waste by 85% compared to the previous year, largely as a result of homeworking. We continued our paper-light working, with more of our reports and correspondence sent by email or electronic file transmission, rather than by post.

	2020/21	2019/20
Confidential waste (kg)	1,480	8,650
Mixed recycling (kg)	1,266	2,346
General waste (kg)	1,242	16,000
<b>Total waste (kg)</b>	<b>3,988</b>	<b>26,996</b>

### Lighting and energy

Total electricity usage has fallen by 31% from the previous year as a result of homeworking. IT servers within our offices, and associated cooling equipment, have, however, run throughout the year.

	2020/21	2019/20
Energy usage (KwH)	71,668	104,521



## Emissions

As a result of the pandemic, most staff are working at home, reducing commuting and associated CO<sub>2</sub> emissions. We estimate that 182,000kg of emissions have been avoided during the year (9,000kg in 2019/20).



**182k**

182k kgs of CO<sub>2</sub> emissions avoided.

Whilst some of this will be reversed once staff can work in the office, we intend to change our normal working arrangements so that most staff are able to work partly from home.

## **Biodiversity and Resilience of Ecosystems Duty (section 6 duty) report**

We are publishing a separate report in accordance with this duty.

## Formal accountability

We are accountable to the Senedd for the work done and the office's use of resources.

### **The Senedd**

The Finance Committee has established a set of principles to guide the preparation of budget submissions and each year we make a formal submission, taking account of these principles, seeking funding for the following year. The submission is scrutinised by the Finance Committee, which makes a recommendation on the funding to be provided. The Committee also makes comments and recommendations on the submission. These are taken into account in subsequent years.

The Annual Report and Accounts document reports on the use of resources and on the work done during the year. It is laid before the Senedd and published on our website. The report has been scrutinised by the Equality, Local Government and Communities Committee each year. In addition, the Public Accounts Committee periodically scrutinises our use of resources and makes observations and recommendations. We work to implement recommendations made by these Committees in our Estimates submission and our Annual Report and Accounts.

### **Judicial review**

As a Corporation Sole, and to reflect the principles of ombudsman schemes internationally, the Ombudsman and his staff are fully responsible for casework decisions. Complainants can request an internal review of a casework decision that they are unhappy with, which is undertaken by a senior member of staff who has not previously been involved in the case. However, the appropriate route to challenge our decision is through judicial review.

It is rare for our decisions to be challenged legally and no cases were subject to judicial review proceedings in 2020/21. However, a councillor who was being investigated for an alleged breach of the Code of Conduct applied for an Injunction in the High Court to prevent us from investigating the complaint. The Application was refused, and we have concluded our investigation and referred the case to the Adjudication Panel for Wales.

## Benchmarking

We develop our work by benchmarking against best practice across the ombudsman sector. In 2020/21:



We maintained close links with colleagues in the UK, Europe and around the world.

### The Ombudsman Community

Despite the restrictions due to Covid-19, we continued to be closely involved in the work of the Ombudsman Association (OA), Public Service Ombudsman Group and International Ombudsman Institute (IOI). In 2020/21, we attended (and in some cases chaired) a number of the OA interest groups, considering legal matters, human resources, first contact, casework, communications and policy.

2020/21 was also the final year for Nick Bennett to represent the UK on the IOI's world and European Boards. We also participated in conferences and good practice seminars, and provided feedback on good practice publications, such as "Giving voice to mental health patients" best practice paper. [You can read this paper here.](#)

### The Welsh Commissioners and the Auditor General for Wales

Nick Bennett continued to meet the Welsh Commissioners and the Auditor General for Wales on a quarterly basis to discuss issues of mutual interest.

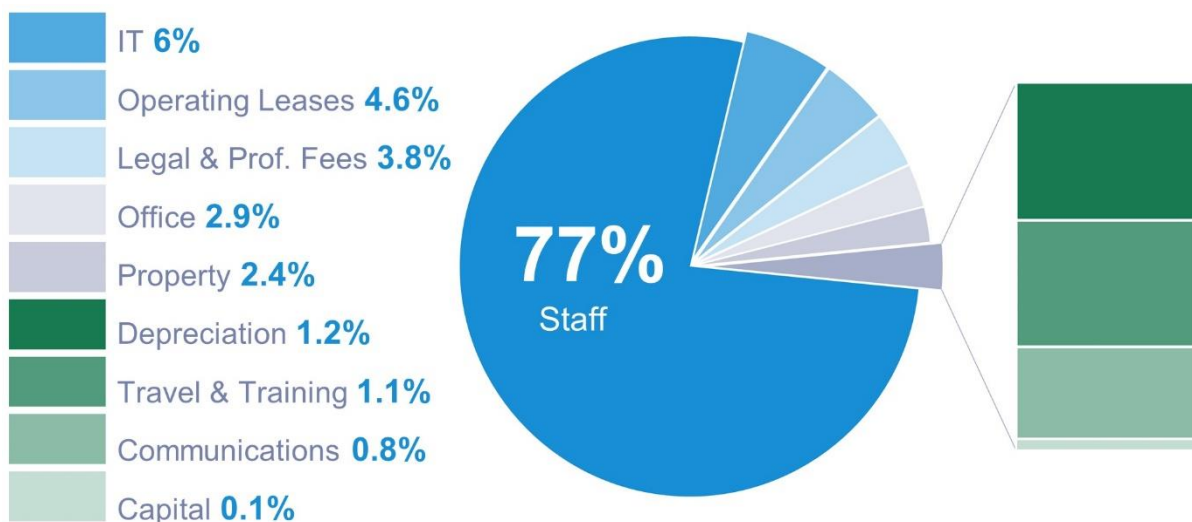
Our staff also met separately on several occasions, representatives of these offices, as well as the Equality and Human Rights Commission, to discuss issues such as our approaches to casework, policy work and IT systems. We value these opportunities for sharing experiences, good practice and challenges with our colleagues. They are more important than ever in the context of the challenges that the Covid-19 outbreak is setting for public services in Wales.

## Financial Management

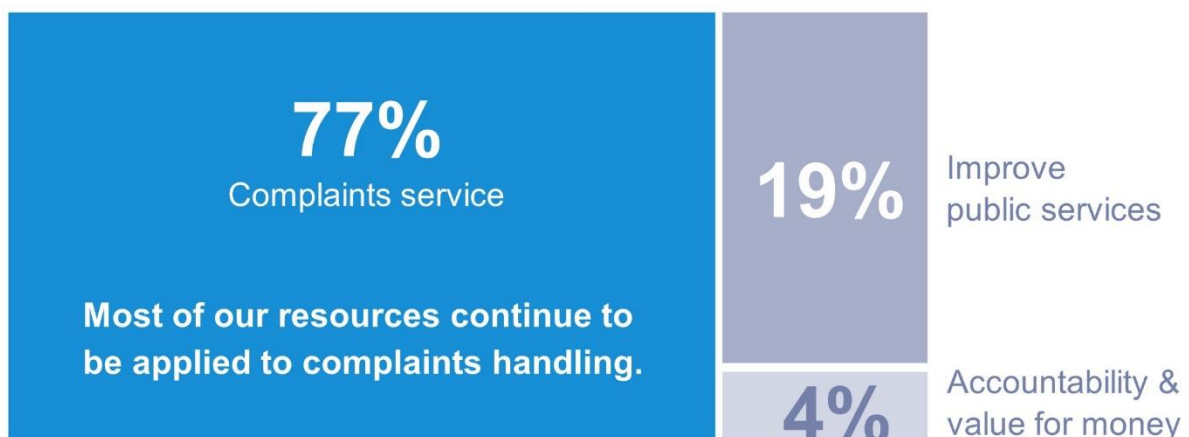
Overall resource has increased compared to the same period last year, whilst our overall cash requirement has been reduced by the repayment of the £974,000 pension fund surplus.

	2020/21	2019/20	Change
Resource Out-turn	£000s	£000s	£000s
Total Resource	5,143	4,871	+272
Cash Requirement	4,096	4,836	-740

### Gross Resource Expenditure 2020/21



### Analysis of Spending by Strategic Aims



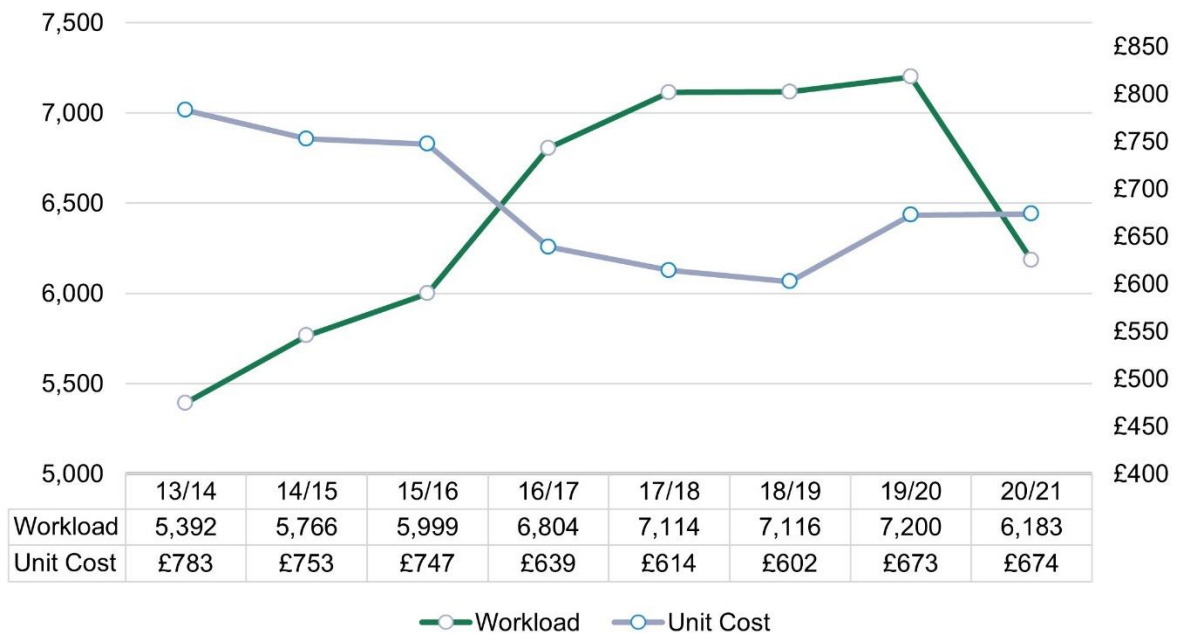
## Unit Costs

In previous years we have reported unit costs as the total net expenditure of the organisation divided by workload (enquiries and complaints received in the year). Whilst consistency in presentation of information from year to year is helpful, this approach to unit costs has become increasingly obsolete. For consistency we are including, for the last time, the unit cost calculated in this way, but we are also showing the approach we will use for the future.

Whilst the approach used in the past has the attraction of simplicity, there are a number of factors making it no longer fit for purpose:

- The work we do each year is not limited to the complaints we receive in that year. For example, during 2020/21 we worked extensively on complaints received during 2019/20. This means that fluctuations in new enquiries and complaints distort unit costs without reflecting the work done in the year.
- We have received a pension refund of £974k during 2020/21 which reduces our unit costs. This income is one-off income, unrelated to complaints caseload, so artificially distorts this year's unit costs and makes meaningful comparisons with previous years impossible.
- We have been working to have greater impact in improving public services and public body complaints handling. The proactive powers under the Public Services Ombudsman (Wales) Act 2019 allow complaints standards and own initiative investigation work, the costs of which are unrelated to enquiries and complaints received in the year. The more work we do on these, and the more success we have in reducing complaints, the higher unit costs will be.

## Workload compared to Unit Cost



Note: All unit costs are adjusted to 2020/21 prices to allow meaningful comparisons.

For the future, we propose to present unit costs calculated for our main activity – receiving, considering, investigating and responding to enquiries and complaints. This is our activity under Strategic Aim 1 and we will use the analysis figures for Operating Costs by Strategic Aims, presented within these audited accounts. These are calculated from the Net Revenue Resources Out-turn, so are not distorted by the one-off pension surplus. Whilst there is no perfect approach to unit costs (because of carry-over of cases from year to year) we consider that numbers of complaints and enquiries closed in the year to be more appropriate units for the calculation of unit costs.

The graphs below show firstly unit cost for the full enquiry and complaints work completed in the year and secondly for complaints cases completed in the year.

## Unit Cost for Total Office Case Closure



## Unit Cost for Total Office Complaints Closure



Note: These graphs are based on expenditure on this Strategic Objective and adjusted to 2020/21 prices.

The unit costs reflect changes to costs and to the number of complaints and enquiries completed during the year. For example, 2019/20 costs include substantial increases in employer's national insurance and pension contributions. In addition, increases in unit costs reflect the complexity of cases considered, including the continuing increase in health complaints, generally requiring external clinical advice, in our caseload.

Most of our operating costs are relatively fixed, so unit costs will vary significantly as volumes of cases closed change. In 2020/21, case closures were lower than in recent years, particularly in the first quarter. In addition, there were delays, again particularly in the early months of the year, as public bodies were unable to respond to us normally in the early stages of the pandemic. We will be closely managing case progression, case closures and unit costs in 2021/22.



## Expenditure to 31 March 2021 compared to previous year

	2020/21	2019/20	Reasons for significant changes
	£000	£000	
Salaries	2,905	2,582	2.75% pay award, full year of New Powers staff, FTE increase of 3 including recruitment of Associate Investigation Officers and maternity cover.
Social Security costs	283	252	
Pension costs	758	685	
Pension fund charges	20	33	
<b>Total Pay</b>	<b>3,966</b>	<b>3,552</b>	
Rentals under operating leases	238	237	
External Audit fee	17	15	
Legal and professional fees	193	230	Continued management of professional advice and reduced legal fees.
Other property costs	123	135	Savings through office closure due to Covid-19.
Computer services	309	209	All staff fully equipped for home working.
Office costs	151	169	Purchase of photocopiers in 2019/20.
Travel and Subsistence	1	45	Minimal travel due to Covid-19 pandemic.
Training and Recruitment	55	93	Recruitment of Improvement Team in 2019/20.
Communications	41	87	CSA training sessions held virtually.
Depreciation	61	60	
<b>Total other Administration Costs</b>	<b>1,189</b>	<b>1,280</b>	
<b>Gross Costs</b>	<b>5,155</b>	<b>4,832</b>	
Income	(991)	(14)	Repayment of Pension Fund Surplus.
<b>Net Expenditure</b>	<b>4,164</b>	<b>4,818</b>	
Capital	5	53	Lower capital investment in 2020/21.
<b>Net Resource</b>	<b>4,169</b>	<b>4,871</b>	

More detailed financial information can be found in the financial statements and notes that support the accounts.

**Nick Bennett**

**Accounting Officer**

Public Services Ombudsman for Wales

*Signature* N Bennett

7 July 2021



# Accountability Report

2020/21

# Corporate Governance Report

## Ombudsman's Report

Under the Government of Wales Act 2006, the office is financed through the Welsh Consolidated Fund (WCF) with any unspent cash balances repaid into the WCF after a certified copy of the accounts has been laid before the Welsh Parliament. This creates a further control in that there is a need to effectively manage the budget on both a cash and a resource basis. The salary of the office holder of the Public Services Ombudsman for Wales and the related costs are a direct charge on the WCF and are administered through the Welsh Parliament.

As at 31 March 2021, the office comprised 75 permanent full and part-time staff based in Pencoed, Bridgend including the Ombudsman, Chief Operating Officer & Director of Improvement, Chief Legal Adviser & Director of Investigations, as well as investigation and support staff.

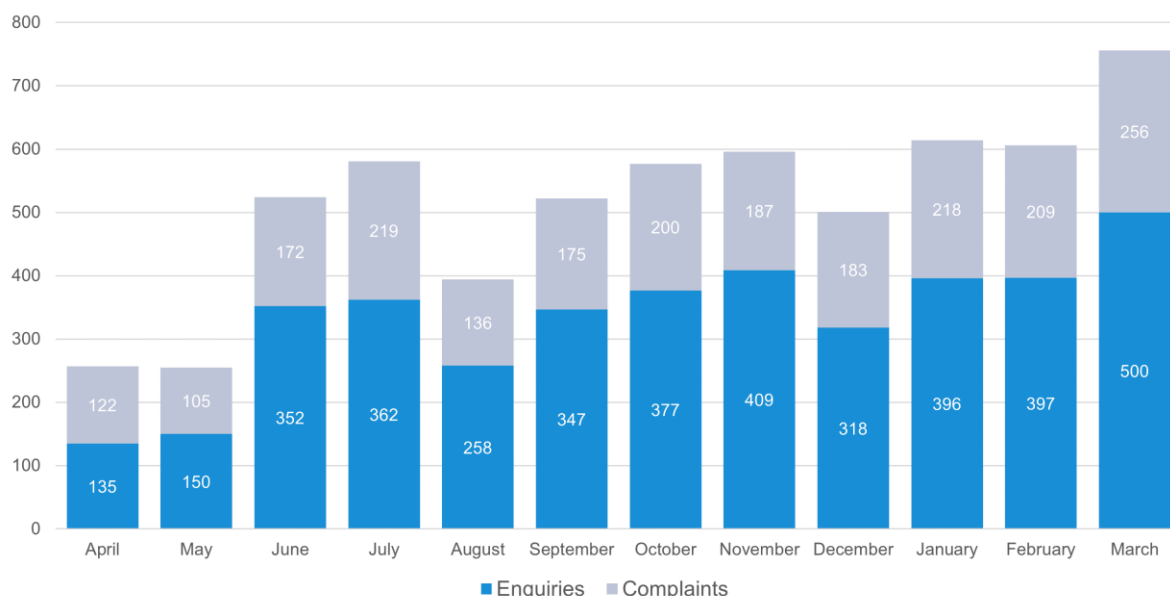
The Welsh Parliament provided cash of £4.1 million for the funding of the office, whilst we received £974k in December 2020 relating to the repayment of the Cardiff and Vale Pension Fund surplus. £20k of this overall funding is due to be returned to the WCF being the unused cash balance at the year end. The expenditure of the office was kept within the Estimate agreed in November 2019 and amended by Supplementary Budgets during 2020/21.

The table below shows that, for the first time since 2013/14, the office has seen a reduction in overall workload, attributable to the Covid-19 pandemic, and a subsequent small increase in unit cost.

<b>Workload</b>	<b>Enquiries</b>	<b>Code</b>	<b>Public Body</b>	<b>Total Workload</b>	<b>Unit cost</b>
<b>2013/14</b>	3,234	226	1,932	5,392	£783
<b>2014/15</b>	3,470	231	2,065	5,766	£753
<b>2015/16</b>	3,731	276	1,992	5,999	£747
<b>2016/17</b>	4,512	236	2,056	6,804	£639
<b>2017/18</b>	4,861	270	1,983	7,114	£614
<b>2018/19</b>	4,627	282	2,207	7,116	£602
<b>2019/20</b>	4,726	365	2,109	7,200	£673
<b>2020/21</b>	3,774	535	1,874	6,183	£674

An analysis of new caseload to the office in 2020/21 broken down monthly shows how the first half of the year was severely impacted by the pandemic and lockdown, before complaints and enquiries rose to the highest level ever seen by the office in March 2021.

### Caseload - April 2020 to March 2021



### Remuneration and Pension Liabilities

Details of the pay and related costs of the Ombudsman and the office are shown in the Remuneration Report.

Pension obligations to present and past employees are discharged through the Principal Civil Service Pension Scheme (PCSPS) and the pensions paid directly to former Commissioners or their dependants. The obligation to the Local Government Pension Scheme ceased in April 2020 following the retirement of the last contributing member.

Further details are given in the Pensions Disclosures.

### Corporate Governance

The office holder of the Public Services Ombudsman for Wales is a Corporation Sole. In addition, upon taking up my role as Ombudsman, I was appointed as the Accounting Officer for the public funds with which the Welsh Parliament entrusts me to undertake my functions.

The Audit & Risk Assurance Committee supports the Ombudsman by reviewing the comprehensiveness and reliability of assurances on governance, risk management, the control environment and on the integrity of financial statements and the annual report. Further details are set out in the Annual Governance Statement.

## Register of Interests

A register of interests is maintained for the Ombudsman, Directors and members of the Advisory Panel and Audit & Risk Assurance Committee.

## Accounts Direction

Under the Accounts Direction issued by HM Treasury dated 21 December 2006, I was required to prepare accounts for the financial year ended 31 March 2021 in compliance with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual (the FReM) issued by HM Treasury which was in force for 2020/21.

The accounts have been prepared to:

- Give a true and fair view of the state of affairs at 31 March 2021 and of the net resource out-turn, resources applied to objectives, recognised gains and losses and cash flows for the financial year then ended.
- Provide disclosure of any material expenditure or income that has not been applied for the purposes intended by the Welsh Parliament or material transactions that have not conformed to the authorities that govern them.

## Auditors

The Auditor General for Wales is the External Auditor of the accounts of the PSOW as laid down in paragraph 18 of Schedule 1 to the Public Services Ombudsman (Wales) Act 2019.

The cost of the audit for 2020/21 was £17k (2019/20: £15k).

As far as I am aware, I have taken all the steps necessary to make the auditors aware of any relevant audit information.

**Nick Bennett**

**Accounting Officer**

Public Services Ombudsman for Wales

*Signature* N Bennett

7 July 2021

## Statement of Accounting Officer's Responsibilities

Under the Public Services Ombudsman (Wales) Act 2019, as Public Services Ombudsman for Wales I am required to prepare, for each financial year, resource accounts detailing the resources acquired, held or disposed of during the year and the use of resources by the PSOW during the year.

The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the PSOW and its net resource out-turn, Statement of Financial Position and cash flows for the financial year.

In preparing the accounts, as the Accounting Officer, I am required to comply with the requirements of the 'Government Financial Reporting Manual' and in particular to:

- Observe the Accounts Direction issued by the Treasury including the relevant accounting and disclosure requirements and apply suitable accounting policies on a consistent basis.
- Make judgements and estimates on a reasonable basis.
- State whether applicable accounting standards as set out in the government financial reporting manual have been followed and disclose and explain any material departures in the accounts.
- Prepare the accounts on a going concern basis.
- Confirm that the annual report and accounts as a whole is fair, balanced and understandable.
- Take personal responsibility for the annual report and accounts and the judgements required for determining that it is fair, balanced and understandable.

My relevant responsibilities as Accounting Officer include the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the PSOW's assets, as set out in Managing Welsh Public Money and the Public Services Ombudsman (Wales) Act 2019.

As the Accounting Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that PSOW's auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.

# Annual Governance Statement 2020/21

## Status of the Public Services Ombudsman for Wales

As laid down in Schedule 1 paragraph 2 of the Public Services Ombudsman (Wales) Act 2019, the Ombudsman is a Corporation Sole holding office under Her Majesty and he discharges his function on behalf of the Crown. Schedule 1 paragraph 19 states that the Ombudsman is the Accounting Officer for the office of the Ombudsman.

## Scope of Responsibility

In undertaking the role of Accounting Officer, I ensure that the office operates effectively and to a high standard of probity. In addition, I have responsibility for maintaining a sound system of internal control that supports the achievement of PSOW's policies, aims and objectives, whilst safeguarding the public funds and assets for which I am personally responsible, in accordance with the responsibilities assigned to me in 'Managing Welsh Public Money'.

I am independent of the Senedd Cymru Welsh Parliament but am accountable to its Public Accounts Committee for the use of resources made available to support my statutory functions. In determining the level of resources available to the office, the PSOW's budget proposals are considered by the Finance Committee of the Senedd Cymru Welsh Parliament in accordance with the process laid down in the Act. I produce a combined Annual Report and Accounts for consideration by the Equality, Local Government and Communities Committee and the Finance Committee.

I am required to include this Governance Statement with my annual report and accounts to explain how the governance of my office works and to ensure it meets the requirements of the Corporate Governance Code and The Orange Book: Management of Risk. To enable me to satisfy these requirements, I have established appropriate structures, systems and procedures that are comprehensive and provide me with evidence that the governance arrangements are working as intended across the whole organisation and its activities. Such arrangements include my Governance Framework, a comprehensive internal control environment, effective internal and external audit arrangements and robust financial management, risk planning and monitoring procedures.

## **Strategic Planning and Performance Monitoring**

In my [Strategic Plan](#) for the 3 years 2019/20 to 2021/22, I set the following for the office:

### **Our Vision for public services in Wales:**

Services that actively listen and learn from complaints.

### **Our Mission:**

To uphold justice and improve public services.

### **Our Strategic Aims:**

- **Strategic Aim 1: Deliver Justice**  
A fair, independent, inclusive and responsive complaints service.
- **Strategic Aim 2: Promote Learning, Work to Improve Public Services**  
Promote learning from complaints and stimulate improvements on a wider scale.
- **Strategic Aim 3: Use Resources Wisely and Future-proof the Organisation**  
Identify and adopt best practice. Secure value for money and services that are fit for the future. Support staff and ensure good governance which supports and challenges us.

Whilst individual teams within the office are charged with implementing the actions identified, the Management Team monitors progress made against targets and the outcomes achieved via monthly reports.

### **System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable, and not absolute, assurance of effectiveness. It is based on an ongoing process designed to identify and prioritise the risks to the achievement of my policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.



The system has been in place in the office of the PSOW for the year ended 31 March 2021 and up to the date of approval of these accounts and accords with HM Treasury guidance. Internal controls were unaffected by changes resulting from the Covid-19 pandemic. No significant areas of internal control weaknesses have been identified from audit work and steps to improve controls further are implemented promptly and monitored by the Audit & Risk Assurance Committee.

## **Corporate Governance arrangements: Audit & Risk Assurance Committee**

Governance arrangements include an Audit & Risk Assurance Committee (ARAC). The Committee's responsibilities are:

### **(a) Terms of Reference**

The Committee supports me by reviewing the comprehensiveness and reliability of assurances on governance, risk management, the control environment and the integrity of financial statements and the annual report.

### **(b) Membership**

Membership comprises a minimum of 4, and a maximum of 8, independent external members. Following a recruitment exercise undertaken in June 2020 to take account of some members' terms of office coming to an end in 2021, 2 additional members were appointed to the ARAC from September 2020.

The membership of the Committee during 2020-21 was Mr Jim Martin, former Scottish Public Services Ombudsman, Dr Tom Frawley CBE, former Assembly Ombudsman and Northern Ireland Commissioner for Complaints, Mr Jonathan Morgan, former Assembly Member and previously Chair of the National Assembly's Public Accounts Committee, Mrs Anne Jones, former Assistant Information Commissioner, Mr Trevor Coxon, former Monitoring Officer of Wrexham County Borough Council, Mr Ian Williams, former Group Chief Executive of Hendre Limited, Mr Mike Usher, a former Director of Audit Wales and Mr John McSherry, former Senior Manager at Admiral Group Limited.

Mr Morgan resigned as Independent Member and Chair of the ARAC in July 2020 and, on the recommendation of the Independent Members, I appointed Mr Williams to take up the position of Chair with effect from September 2020.

### (c) Training

Members of the Committee are invited to assess their training needs annually. An induction programme is provided for all new members of the ARAC. During 2020 members undertook training on Cyber Security awareness and Unconscious Bias.

The Cyber Protect Team from Tarian provided Cyber Security Awareness Training for members of the ARAC as well as the office's Management Team. Tarian is the Regional Organised Crime Unit, part funded by the Home Office and the 3 Southern Wales Police Forces who work collaboratively with Welsh Government.

The Unconscious Bias training was provided by Carolyn Hirst, former Deputy Scottish Public Services Ombudsman and Interim Principal Ombudsman at Ombudsman Services.

### (d) Meetings

The Committee sets itself an annual work programme. There are generally 4 meetings of the Committee during the year. However due to a change in the meeting schedule, only 3 meetings were held in 2020/21. Due to the ongoing Covid-19 pandemic they have all been held remotely using Zoom. Management Team amended the schedule of meetings during the year to be January, April, July and October, with effect from January 2021, with the traditional March meeting moved to April to better reflect the timing of the Annual Accounts.

I attend ARAC Meetings and the Chief Operating Officer acts as Secretary to the Committee. The meetings were also regularly attended by internal and external auditors and appropriate members of the PSOW's Management Team.

At each meeting, the Committee received a number of standing agenda items. These include declarations of any identified fraud or losses, including any data losses. At each meeting, the Committee received a copy of the latest Budget Monitoring report considered by the Management Team. This is intended to provide the Committee with an assurance that there is regular scrutiny of the financial position within the office.

During the year, the Committee also received reports on a number of other appropriate matters within its Terms of Reference. They included the 9 and 12-month accounts, internal audit plans, a review of the Whistleblowing Policy, a

review of governance arrangements, updates on major IT developments, progress on the implementation of the Strategic ITC Plan and relevant financial and corporate governance matters issued by HM Treasury. The Committee reviewed the office’s counter-fraud arrangements, in the context of the Cabinet Office Counter-Fraud Framework, to satisfy itself that appropriate arrangements are in place.

The Committee provided advice to me to ensure that the 2020/21 Annual Governance Statement included appropriate information and complied with best practice.

A standing item is risk management. At each meeting the Committee considered a report on the greatest identified risks. The Committee explored and challenged the reported risks to satisfy itself that all key risks have been identified. Risk management and risk mitigation measures were also considered.

During the year, 1 member’s term of office ended, and 2 new members joined the Committee. The number of meetings attended, along with the number of meetings each member was eligible to attend, was as follows:

<b>Membership:</b>	
Jonathan Morgan (Chair in July)	1
Ian Williams (Chair from September)	3
Jim Martin	3
Anne Jones	3
Trevor Coxon	3
Tom Frawley	3
Mike Usher (from September 2020)	2
John McSherry (from September 2020)	2

All members attended 100% of the meetings they were eligible to attend.

## (e) Internal and External Audit

The Committee received regular reports from both the internal and external auditors. The work of Deloitte as Internal Auditors during the year was planned based on their overall needs assessment and carried out through their fourth annual programme. Their reports highlighted the satisfactory internal control framework within the organisation and made recommendations for improvement where necessary.

In all but one audit, the level of assurance was considered 'Substantial', the highest assurance level. A number of low priority recommendations were made, and these have either been completed or will be completed in accordance with agreed timescales. In addition, an advisory audit of New Powers under the PSOW Act 2019 arrangements was carried out in October 2020.

The internal audits undertaken in 2020/21 and overall assessments were as follows:

	Assurance level
Staff Wellbeing	<b>SUBSTANTIAL</b>
Corporate Governance and Risk Management	<b>SUBSTANTIAL</b>
Records Management	<b>MODERATE</b>
<b>Financial Systems:</b>	
Banking and Cash Management	<b>SUBSTANTIAL</b>
Budgetary Control	<b>SUBSTANTIAL</b>
Payroll	<b>SUBSTANTIAL</b>

The internal auditors' Annual Report for 2020/21 stated: 'Based on the conclusions of our work, we can provide the Ombudsman with **substantial assurance** in relation to the organisation's arrangements for risk management, governance and internal control.' These findings also provide assurance that the arrangements in place are reducing the office's exposure to risk. The Committee noted the thoroughness of the audit work, practicality of recommendations and the open and positive response of management to the recommendations made.

The Committee considered the 2019/20 Annual Report and Accounts that included the Governance Statement of the office for 2019/20, together with the External Audit of Financial Statements Report and Management Letter. An unqualified opinion was given, following external audit work undertaken by Audit Wales, on the 2019/20 Accounts. There were no recommendations arising from the Audit. The external audit conclusions for the 2019/20 financial year were reviewed at the September 2020 meeting of the Committee.

Both Internal and External Auditors have the right to raise any matter through an open access policy to the Chair and, through that right, to bring any matter to the attention of the Committee. The Committee, by reviewing the programmes of both the External and the Internal Auditors, ensured that they were co-operating effectively with each other. The quality of the audit work has been evaluated during the year through consideration of the audit reports and recommendations and dialogue at meetings between Committee Members and the Auditors.

To ensure that appropriate matters can be raised in confidence, the Chair of the Committee generally holds an annual meeting with representatives of the External and Internal Auditors. Such a meeting was held on 30 March 2021.

#### (f) Monitoring processes

At each meeting during 2020/21, the Committee received a report on progress made on the implementation of External and Internal Audit recommendations. Committee members were satisfied that all the recommendations made, had been implemented or will be implemented in accordance with agreed timescales.

#### (g) Annual Review and Assessment

This annual review is undertaken to evaluate the work of the Committee and to ensure that the work of the Audit & Risk Assurance Committee continues to comply with the Good Practice Principles set out in the HM Treasury Audit Committee Handbook. To assist the Committee in determining that it was complying with good practice, each member was invited to complete the National Audit Office's 'The Audit Committee self-assessment checklist'. Comments received from Committee members were considered in preparing the Annual Review for 2020/21.

The ARAC Annual Review concluded that it had received comprehensive assurances and information that was reliable and sufficient to enable it to carry out its responsibilities. Those assurances demonstrated a satisfactory overall internal control environment, financial reporting and the management of risk and of the quality of both the Internal and External Audit work undertaken.

The Committee was therefore able to provide assurances to support me effectively, as Public Services Ombudsman for Wales, to comply with my Accounting Officer responsibilities. The Committee provided evidence to assist in the preparation of this Annual Governance Statement.

### **Advisory Panel**

The Advisory Panel is a non-statutory forum whose main role is to provide support and advice to me in providing leadership and setting the strategic objectives of the office of the Public Services Ombudsman for Wales. The Panel also brings an external perspective to assist in the development of policy and practice.

A recruitment exercise was undertaken in June 2020 to appoint 2 additional members to the Panel to take account of some members' terms of office concluding in 2021. Two new members joined the Panel; Mr Mike Usher and Ms Rhiannon Ivens, former Police Chief Inspector at Dyfed-Powys Police. Ms Ivens resigned from the Panel in March 2021.

The Advisory Panel is an advisory-only body and does not make decisions in its own right.

### **Reporting of Personal Data Related Incidents**

All incidents involving personal data are reported to the Audit & Risk Assurance Committee, regardless of whether PSOW is at fault. Where PSOW is at fault, guidance issued by the Information Commissioner's Office (ICO) is considered to establish whether it is necessary to report the incident to that office. During 2020/21, there were no incidents that required reporting to the ICO.

## **The Risk and Control Framework**

As required by 'Managing Welsh Public Money', I am supported by a professionally qualified Financial Accountant who carries out the responsibilities of a Finance Director as set out in that document.

Risk management and the risk register are standing agenda items for the Audit & Risk Assurance Committee, and the approach to risk management, together with risk appetite, is reviewed periodically.

I am continuing to enhance the robust internal control arrangements to ensure that the office has the capacity to identify, assess and manage risk effectively.

In undertaking this responsibility during the year ended 31 March 2021, I have been supported by a Chief Operating Officer to whom some of my responsibilities have been delegated.

I am satisfied that the systems in place identify potential risks at an early stage and enable, through active management, the appropriate action to be taken to minimise any adverse impact on the office.

The Audit & Risk Assurance Committee receives regular reports on the risks relating to this office, explores the office's approach to those risks and provides comments and suggestions on current and emerging risks.

Risks are considered across a number of key areas or risk horizons. These are:

- risks that could affect my ability to fulfil my core functions
- risks affecting data security
- financial risks
- governance risks
- risks affecting facilities & support arrangements (such as premises & IT services).

Key risks at the financial year-end were identified as follows:

Risk horizon	Risk affects:	Risk management and mitigation:	Residual risk:
<b>Core function – Case volumes and meeting KPIs</b>	<p>Likely impact of Covid-19 on case volumes and ability to meet Key Performance Indicators (KPIs). The pandemic may continue to affect the ability of public bodies to engage my office, causing delays.</p> <p>Furthermore, complaints numbers in March 2021 were exceptionally high. If this continues, pressure of case volumes and timeliness will be substantial.</p>	<p>Monitor and manage complaints volumes and, as far as possible, staff resources. Work closely and supportively with public bodies.</p>	<p>The recent increases in number of new complaints, coupled with possible delays in securing responses from public bodies, means that the residual risk is considered <b>RED</b>.</p>
<b>Information and system security physical &amp; cyber</b>	<p>Owing to the increasing number of malware / phishing attacks on comparable organisations, this risk is considered high.</p>	<p>Make full use of IT support and advice as well as antivirus and other security software. Increase staff awareness and vigilance through training.</p>	<p>The likely scale of the impact on PSOW of any successful attack means that the residual risk is considered <b>RED</b>.</p>



## Risk Assurance Framework Arrangements

<b>PSOW Framework</b>			
<ul style="list-style-type: none"> <li>• Strategic objectives from Corporate Plan</li> <li>• Work programme</li> <li>• Risk management</li> <li>• Anti-fraud policy</li> <li>• Governance framework</li> <li>• Policies, procedures and code of conduct</li> </ul>			
<b>Advisory Panel</b>	<b>Accounting Officer</b>	<b>Audit &amp; Risk Assurance Committee</b>	<b>Management Team</b>
Provides support and advice on vision, values and purposes as well as strategic direction and planning.	Governance. Decision making. Financial management. Risk management.	Reviews and monitors governance, risks and internal controls. Agrees annual governance statement.	3-year Corporate Plan. Operational Plan. Performance monitoring. Corporate policies. Risk management. Value for money.
<b>Central Guidance</b>		<b>PSOW policies, plans and risk register</b>	<b>Annual Governance Statement</b>
HM Treasury. FReM. Managing Welsh Public Money. Public Sector Internal Audit.			
<b>Assurance Map Components</b>			
<b>1st line of defence</b> Strategic and operational delivery reporting. KPI reporting. Financial controls / Budget monitoring.	<b>2nd line of defence</b> Risk register reviews. Quality assurance. Information security assurance.	<b>3rd line of defence</b> Internal audit reports. Financial accountant spot checks.	
<b>Other assurances</b> External audit. Scrutiny by Finance Committee and PAC.			

I and my Management Team will continue to work to manage and minimise the risks in these key areas in the year ahead and the risks will be considered at each meeting of the Audit & Risk Assurance Committee.

## **Budgeting Process**

As Accounting Officer, I ensure that I have in place arrangements for tight control of the public money entrusted to me. The Management Team receives a monthly budget monitoring report setting out details of actual, against budgeted expenditure. Any unexpected expenditure issues that may arise during the year are considered and any actions required to ensure that the office remains within its budgeted expenditure are agreed. No major issues arose in respect of the PSOW's budget for 2020/21.

As far as the process of producing the PSOW's financial estimate for 2021/22 is concerned, a paper setting out initial budget criteria was considered by the Advisory Panel in June 2020. Overall, the resource and cash budgets were flat and maintained at 2020/21 levels. The Finance Committee scrutinised the paper in October 2020 and the full amount sought was included in the Annual Budget Motion March 2021.

## **Conclusion**

The office's system of internal controls was unaffected by the pandemic and by homeworking. I can report that there were no significant weaknesses in the office's system of internal controls in 2020/21 which would affect the achievement of the office's policies, aims and objectives and that robust Corporate Governance is in operation with no breaches of the Corporate Governance Code.

<i>Signature</i> N Bennett
----------------------------

**Nick Bennett**

**Accounting Officer**

Public Services Ombudsman for Wales

7 July 2021

# Remuneration Report

## Public Services Ombudsman for Wales

The Government of Wales Act 2006 provides for my remuneration and associated national insurance and pension costs to be met from the Welsh Consolidated Fund, rather than being paid directly. These costs are included, for transparency, in the remuneration report.

### Remuneration

The following sections provide details of the remuneration and pension interest of the most senior management of the Office: Nick Bennett - Ombudsman, Chris Vinestock - Chief Operating Officer & Director of Improvement and Katrin Shaw - Chief Legal Adviser & Director of Investigations.

<b>Single Total Figure of Remuneration</b>					
<b>2020/21</b>					
<b>Officials</b>	<b>Salary (£'000)</b>	<b>Bonus payments (£'000)</b>	<b>Benefits in Kind (to nearest £100)</b>	<b>Pension benefits (to nearest £1,000)</b>	<b>Total (£'000)</b>
Nick Bennett	150-155	-	-	59,000	210-215
Chris Vinestock	105-110	-	-	75,000	180-185
Katrin Shaw	90-95	-	-	61,000	150-155

<b>Single Total Figure of Remuneration</b>					
<b>2019/20</b>					
<b>Officials</b>	<b>Salary (£'000)</b>	<b>Bonus payments (£'000)</b>	<b>Benefits in Kind (to nearest £100)</b>	<b>Pension benefits (to nearest £1,000)</b>	<b>Total (£'000)</b>
Nick Bennett	150-155	-	-	58,000	205-210
Chris Vinestock	100-105	-	-	75,000	175-180
Katrin Shaw	85-90	-	-	75,000	160-165

The Scheme Actuary has advised of a change in the way pension benefits are calculated. From 17 January 2020 GMP adjustment factors will no longer apply in calculations for members who reach State Pension age on or after 6 April 2016, and this has impacted on the Pension Benefit disclosure above for 2020/21.

## **Salary**

Salary includes gross salary, overtime and any other allowances to the extent that they are subject to UK taxation.

## **Benefits in kind**

The monetary value of benefits in kind, covers any expenditure paid by the PSOW and treated by HM Revenue and Customs as a taxable emolument. There was no such expenditure.

## **Bonuses**

No bonus was paid during the year to me or to any staff within my office, as no bonus scheme is in operation.

## **Pay multiples**

The banded remuneration of the highest-paid director in the financial year 2020/21 was £150-£155,000 (2019/20 = £150-£155,000). This was 3.5 times (2019/20 = 3.6) the median remuneration of the workforce, which was £43,857 (2019/20 = £42,684). In 2020/21, no employee received remuneration in excess of the highest-paid director (2019/20 = none).

Remuneration ranged from £20,000 to £155,000 (2019/20, £20,000-£155,000). Total remuneration includes salary, non-consolidated performance-related pay and benefits-in-kind. It does not include severance payments, temporary payments, employer pension contributions and the cash equivalent transfer value of pensions.

## **Pay awards**

Staff pay is linked to the pay awards made to employees within Local Government in England and Wales. In line with that procedure, a 2.75% pay increase was awarded to staff in April 2020.

## Pensions

Pension entitlements for the persons shown above are detailed below:

### Pension Liabilities

The pension obligations to present and past employees are discharged through the Principal Civil Service Pension Scheme (PCSPS) and the pensions paid directly to former Commissioners or their dependants.

Name	As at 31/03/21					As at 31/03/20
	Accrued pension at pension age and related lump sum	Real increase in pension and related lump sum at pension age	CETV	Real Increase in CETV	Employer contribution to partnership pension accounts	CETV
	£000	£000	£000	£000	Nearest £100	£000
Nick Bennett	50-55	2.5-5	623	31	-	559
Chris Vinestock	65-70	2.5-5	997	50	-	912
Katrin Shaw	35-40	2.5-5	617	40	-	553

CETV refers to the Cash Equivalent Transfer Value, and further information can be found in the Pensions Disclosures.

### Sickness

During the year, an average of 3.0 days per employee were lost through sickness, compared with 9.0 days in 2019/20. This is the equivalent of 1.1% (3.4% in 2019/20) of total possible workdays. This reflects normal short-term absences and long-term sickness.

### Reporting of Civil Service and other compensation schemes

No exit packages were paid in 2020/21 (2019/20 Nil).

## Advisory Panel and Audit & Risk Assurance Committee

The following non-pensionable payments, based on a daily rate, were made to members of the Advisory Panel and Audit & Risk Assurance Committee:

	2020/21	2019/20
Anne Jones	2,221	1,263
Ian Williams	2,011	933
Trevor Coxon	1,711	933
Jim Martin	1,711	933
Tom Frawley	1,711	622
Jane Martin	1,482	564
Jonathan Morgan	1,082	1,263
Mike Usher	1,050	-
John McSherry	900	-
Rhiannon Ivens	900	-

Due to the late timing of the March 2020 meeting, payment was made in April 2020, meaning that the 2020/21 figures include 4 payments. The 2019/20 figures include only 3 payments for this reason.

These figures also include payments made to members for attendance at half-day Cyber Security and Unconscious Bias training sessions during 2020/21.

For staff reporting issues see the Annual Equality Report.

*Signature* N Bennett

**Nick Bennett**

**Accounting Officer**

Public Services Ombudsman for Wales

7 July 2021

## Welsh Parliament Accountability and Audit Report

In addition to the primary statements prepared under **International Financial Reporting Standards (IFRS)**, the Government Financial Reporting Manual (FReM) requires the Ombudsman to prepare a statement and supporting notes to show resource out-turn against the Supply Estimate presented to the Senedd, in respect of each request for resource.

### Summary of Net Resource Out-turn for year ending 31 March 2021

	Revised Estimate			Out-turn				2019/20
	Gross Expenditure	Income	Net Total	Gross Expenditure	Income	Net Total	Net total compared to estimate	Net Total
	£000	£000	£000	£000	£000	£000	£000	£000
Revenue	5,262	(991)	4,271	5,155	(991)	4,164	107	4,818
Capital	25	-	25	5	-	5	20	53
<b>Resource DEL</b>	<b>5,287</b>	<b>(991)</b>	<b>4,296</b>	<b>5,160</b>	<b>(991)</b>	<b>4,169</b>	<b>127</b>	<b>4,871</b>
Resource AME	974	-	974	974	-	974	-	-
<b>Total Resources</b>	<b>6,261</b>	<b>(991)</b>	<b>5,270</b>	<b>6,134</b>	<b>(991)</b>	<b>5,143</b>	<b>127</b>	<b>4,871</b>
<b>Net Cash Requirement</b>	<b>4,096</b>	<b>-</b>	<b>4,096</b>	<b>5,067</b>	<b>(991)</b>	<b>4,076</b>	<b>20</b>	<b>4,836</b>

The pension surplus adjustment recognises the charge to Resource AME to offset the income received. Under IAS19, this adjustment is shown in the Statement of Taxpayers Equity in the accounts.

Reconciliation of Net Resource Out-turn and SoCNE	£000
Total Resources Out-turn	5,143
Capital	(5)
Pension Surplus Adjustment	(974)
<b>Statement of Comprehensive Net Expenditure</b>	<b>4,164</b>

## Reconciliation of Net Resource to Net Cash Requirements

for the year ended 31 March 2021

	Note	2020/21			2019/20
		Revised Estimate	Net Total Out-turn	Net total out-turn compared to revised estimate	Out-turn
		£000	£000	£000	£000
Net Revenue	2-4	4,271	4,164	107	4,818
Net Capital	6	25	5	20	53
Resource AME		974	974	-	-
<b>Total Resources</b>		<b>5,270</b>	<b>5,143</b>	<b>127</b>	<b>4,871</b>
Movement in provisions	10	20	10	10	(1)
Capital charges	6	(60)	(61)	1	(60)
Movements in working capital	7-9	(160)	(42)	(118)	26
Adjustments		(974)	(974)	-	-
<b>Net cash requirement</b>		<b>4,096</b>	<b>4,076</b>	<b>20</b>	<b>4,836</b>

*Signature* N Bennett

**Nick Bennett**

**Accounting Officer**

Public Services Ombudsman for Wales

7 July 2021



# The Certificate and Independent Auditor's Report of the Auditor General for Wales to the Senedd

## Report on the audit of the financial statements

### Opinion

I certify that I have audited the financial statements of the Public Services Ombudsman for Wales for the year ended 31 March 2021 under paragraph 18 (2) of Schedule 1 of the Public Services Ombudsman (Wales) Act 2019. These comprise the Summary of Net Resource Out-turn, Statement of Comprehensive Net Expenditure, Statement of Financial Position, Consolidated Statement of Cash Flows, Statement of Changes in Taxpayers Equity and related notes, including a summary of significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. The financial reporting framework that has been applied in their preparation is applicable law and HM Treasury's Financial Reporting Manual based on International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In my opinion the financial statements:

- Give a true and fair view of the state of the Public Services Ombudsman for Wales' affairs as at 31 March 2021 and of its net cash requirement, net resource out-turn and net operating cost, for the year then ended.
- Have been properly prepared in accordance with international accounting standards as interpreted and adapted by HM Treasury's Financial Reporting Manual.
- Have been properly prepared in accordance with HM Treasury directions issued under the Public Services Ombudsman (Wales) Act 2019.

### Opinion on regularity

In my opinion, in all material respects, the expenditure and income in the financial statements have been applied to the purposes intended by the Senedd and the financial transactions recorded in the financial statements conform to the authorities which govern them.

## Basis of opinions

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 “Audit of Financial Statements of Public Sector Entities in the United Kingdom”. My responsibilities under those standards are further described in the auditor’s responsibilities for the audit of the financial statements section of my report. I am independent of the body in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council’s Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

## Conclusions relating to going concern

In auditing the financial statements, I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the body’s ability to continue to adopt the going concern basis of accounting for a period of at least 12 months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this report.

## Other information

The other information comprises the information included in the annual report other than the financial statements and my auditor’s report thereon. Legislation and directions issued to the Public Services Ombudsman for Wales do not specify the content and form of the other information to be presented with the financial statements. The Accounting Officer is responsible for the other information in the annual report. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon. My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the course of the audit, or otherwise appears to be

materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

## **Report on other requirements**

### **Opinion on other matters**

As legislation and directions issued to the Public Services Ombudsman for Wales do not specify the content and form of the other information to be presented with the financial statements, I am not able to confirm that the Annual Report has been prepared in accordance with guidance.

In my opinion, based on the work undertaken in the course of my audit, the information given in the Annual Report is consistent with the financial statements.

Although there are no legislative requirements for a Remuneration Report, the Public Services Ombudsman for Wales has prepared such a report, and in my opinion that part ordinarily required to be audited has been prepared in accordance with HM Treasury guidance.

Although there are no legislative requirements for an Annual Governance Statement, based on the work undertaken in the course of my audit, the information given in the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and the Annual Governance Statement has been prepared in accordance with HM Treasury guidance.

### **Matters on which I report by exception**

In the light of the knowledge and understanding of the body and its environment obtained in the course of the audit, I have not identified material misstatements in the Annual Report.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- proper accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my team
- the financial statements are not in agreement with the accounting records and returns
- information specified by HM Treasury regarding the remuneration and other transactions is not disclosed
- I have not received all of the information and explanations I require for my audit.

## **Responsibilities**

### **Responsibilities of the Accounting Officer for the financial statements**

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for preparing the financial statements in accordance with the Public Ombudsman (Wales) Act 2019 and HM Treasury directions made there under, for being satisfied that they give a true and fair view and for such internal control as the Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Accounting Officer is responsible for assessing the body's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

### **Auditor's responsibilities for the audit of the financial statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

My procedures included the following:

- Enquiring of management and those charged with governance, including obtaining and reviewing supporting documentation relating to the Public Services Ombudsman for Wales' policies and procedures concerned with:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: expenditure recognition and posting of unusual journals.
- Obtaining an understanding of the Public Services Ombudsman for Wales' framework of authority, as well as other legal and regulatory frameworks that the Public Services Ombudsman for Wales operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the Public Services Ombudsman for Wales.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above
- enquiring of management, the Audit and Risk Assurance Committee and legal advisors about actual and potential litigation and claims
- reading minutes of meetings of those charged with governance and the Advisory Board

- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all audit team and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the Public Services Ombudsman for Wales' controls, and the nature, timing and extent of the audit procedures performed.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my auditor's report.

### Responsibilities for regularity

The Accounting Officer is responsible for ensuring the regularity of financial transactions.

I am required to obtain sufficient evidence to give reasonable assurance that the expenditure and income have been applied to the purposes intended by the Senedd and the financial transactions conform to the authorities which govern them.

### Report

I have no observations to make on these financial statements.

*Signature*

**Adrian Crompton**  
**Auditor General for Wales**  
**14 July 2021**

**24 Cathedral Road**  
**Cardiff**  
**CF11 9LJ**



# Annual Accounts

2020/21

## Statement of Comprehensive Net Expenditure

for the year ended 31 March 2021

Administration costs	Note	2020/21	2019/20
		£000	£000
Staff costs	2	3,966	3,552
Other non-staff administration costs	3	1,189	1,280
<b>Gross Administration Costs</b>		<b>5,155</b>	<b>4,832</b>
Operating Income	4	(991)	(14)
<b>Net Administration Costs</b>		<b>4,164</b>	<b>4,818</b>
<b>Net Revenue Out-turn</b>		<b>4,164</b>	<b>4,818</b>

Notes 1 to 18 form part of these statements.

All activities commenced in the period are continuing.



## Statement of Financial Position

for the year ended 31 March 2021

	Note	2020/21	2019/20
		£000	£000
<b>Non-current assets</b>			
Property, Plant and Equipment	6a	170	202
Intangible assets	6b	124	148
Receivables due after more than 1 year	7	1	1
Pension fund surplus	Pension Disclosures	-	1,080
		<b>295</b>	<b>1,431</b>
<b>Current Assets</b>			
Trade and other receivables	7	228	207
Cash and cash equivalents	8	20	48
		<b>248</b>	<b>255</b>
<b>Total assets</b>		<b>543</b>	<b>1,686</b>
<b>Current liabilities</b>			
Trade and other payables	9	(250)	(210)
Provisions less than 1 year	10	(45)	(45)
		<b>(295)</b>	<b>(255)</b>
<b>Total assets less current liabilities</b>		<b>248</b>	<b>1,431</b>
<b>Non-current liabilities</b>			
Trade and other payables due after 1 year	9	(15)	(20)
Provisions greater than 1 year	10	(471)	(481)
		<b>(486)</b>	<b>(501)</b>
<b>Total assets less liabilities</b>		<b>(238)</b>	<b>930</b>
<b>General Fund</b>		<b>(238)</b>	<b>930</b>

Notes 1 to 18 and the Pension Disclosures form part of these statements.

The financial statements were approved by the Accounting Officer and authorised for issue on 7th July 2021 by:

**Nick Bennett**

**Accounting Officer**

Public Services Ombudsman for Wales

*Signature* N Bennett

7 July 2021

## Statement of Cash Flows

for the year ended 31 March 2021

	Note	2020/21	2019/20
		£000	£000
Net cash outflow from operating activities	11	(4,071)	(4,783)
Net cash outflow from investing activities	12	(5)	(53)
Financing from Welsh Parliament	13	4,096	4,884
Prior year cash balance repaid		(48)	(20)
<b>Net increase (decrease) in cash equivalents after adjustments for payments to Welsh Consolidated Fund</b>		<b>(28)</b>	<b>28</b>
<b>Cash and cash equivalents at beginning of period</b>		<b>48</b>	<b>20</b>
<b>Cash and cash equivalents at end of period</b>		<b>20</b>	<b>48</b>

Notes 1 to 18 form part of these statements.

## Statement of Changes in Taxpayers' Equity

for the year ended 31 March 2021

General Fund	2020/21	2019/20
	£000	£000
<b>Balance as at 1 April</b>	<b>930</b>	<b>642</b>
Net operating costs	(4,164)	(4,818)
Funding by Welsh Parliament	4,096	4,884
Due back to Welsh Consolidated Fund:		
Cash	(20)	(48)
Non-operating income	-	-
Actuarial re-measurement of LGPS pension fund	(106)	270
Pension Fund Surplus	(974)	-
<b>Total recognised income and expense for year</b>	<b>(1,168)</b>	<b>288</b>
<b>Balance as at 31 March</b>	<b>(238)</b>	<b>930</b>

Notes 1 to 18 and the Pension Disclosures form part of these statements.

# Notes to the Financial Statements

## 1. Statement of Accounting Policies

These financial statements have been prepared in accordance with the Government Financial Reporting Manual (the FReM) issued by HM Treasury which is in force for 2020/21. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adopted or interpreted for the public sector. Where the FReM permits a choice of accounting policy, the accounting policy which has been judged to be most appropriate to the particular circumstances of the PSOW for the purpose of giving a true and fair view has been selected. The particular accounting policies adopted by the PSOW are described below. They have been applied consistently in dealing with items considered material in relation to the accounts.

### 1.1 Accounting Convention

These accounts have been prepared under the historical cost convention modified to account for any revaluation of fixed assets, where material to their value to the business, by reference to their current costs.

### 1.2 Property, Plant and Equipment

Expenditure on property, plant and equipment is capitalised where the purchases are expected to have a useful life extending over more than 1 year and the cost exceeds £5k. Assets costing less than £5k may be capitalised providing they are capital in nature and are part of a larger scheme that is, in total, more than £5k. Assets are shown at cost less an allowance for depreciation. On initial recognition, fixed assets are measured at cost, including such costs as installation, which are directly attributable to bringing them into working condition for their intended use. In reviewing the costs of fixed assets previously acquired and the prices paid for new acquisitions during the year there is no material difference between the historic net book value of the assets and their replacement cost less depreciation.

### 1.3 Depreciation

Assets are depreciated at rates calculated to write them down to zero or, if applicable, estimated residual value on a straight-line basis over their estimated useful life following an initial charge of a full month's depreciation in the month of purchase. Assets in the course of construction are depreciated from the month in which the asset is brought into use.

Except where otherwise noted asset lives are assumed to be the following:

Plant	10 years or the lease term if shorter
Furniture and other fittings	10 years or in the case of fittings, the lease term
Computers and other equipment	3 to 10 years

### 1.4 Intangible assets

Purchased computer software licences and developed software are capitalised where expenditure of £5k or more is incurred, and the useful life is more than 1 year. Intangible assets costing less than £5k may be capitalised providing they are capital in nature and are part of a larger scheme that is, in total, more than £5k. Intangible assets are reviewed annually for impairment and are stated at amortised historic cost. Software licences are amortised over the shorter of the term of the licence and the useful economic life of the computer equipment on which they are installed. This would usually be from 3 to 5 years. Developed software is amortised over the estimated useful life. In the year of acquisition, amortisation charges commence when the asset is brought into use.

### 1.5 Value Added Tax

The PSOW is not registered for VAT. Expenditure is therefore disclosed gross of VAT.

### 1.6 Pensions

The pension obligations to present and past employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS), the Local Government Pension Scheme administered through the Cardiff and Vale of Glamorgan Pension Scheme (the Fund) and by direct payment to previous Commissioners for Local Administration in Wales or any surviving beneficiaries. Full details are disclosed in the Pension Disclosures at the end of the

Financial Statements. The costs of providing these pensions are charged through the Statement of Comprehensive Net Expenditure, with actuarial gains and losses relating to the Cardiff and Vale of Glamorgan Pension Scheme being recognised in the year in which they occur.

### 1.7 Early departure costs

Where the PSOW is required to meet the additional cost of benefits beyond the normal benefits payable by the appropriate pension scheme in respect of employees who retire early, these costs are charged to the Statement of Comprehensive Net Expenditure in full when the liability arises.

### 1.8 Leases

Expenditure on leased property and equipment is charged in the period to which it relates.

### 1.9 Staff Costs

In line with IAS 19, short-term employee benefits, such as wages, salaries and social security contributions, paid annual leave and paid sick leave, as well as non-monetary benefits for current employees, are recognised when an employee has rendered services in exchange for those benefits.

### 1.10 Provisions

These are sums which are of uncertain timing or amount at the balance sheet date and represent the best estimate of the expenditure required to settle the obligations. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using the recommended HM Treasury discount rate.

### 1.11 Income

All income is recognised in the Statement of Comprehensive Net Expenditure in accordance with IAS 18 and IFRS 15.

## 1.12 Impact of Standards Not Yet Effective

Standard	Effective date	Further details
IFRS 16 Leases	2022-23  Implementation delayed from 2020-21 due to Covid-19	IFRS 16 will replace the current leases standard IAS 17 and requires a lessee to recognise assets and liabilities for leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. As a consequence, a lessee also recognises depreciation of the right-of-use asset and interest on the lease liability and classifies cash repayments of the lease liability into a principal and interest portion. This is a significant change in lease accounting.
IFRS 17 Insurance Contracts	2023-24 at earliest	IFRS 17 replaces IFRS 4 Insurance Contracts, and requires a current measurement model, using updated information on obligations and risks, and requiring service results to be presented separately from finance income or expense. It applies to all insurance contracts issued, irrespective of the type of entity issuing the contracts, so is not relevant only for insurance companies.

## 2. Staff Costs and Numbers

The aggregate employment costs were as follows:

	2020/21	2019/20
	£000	£000
Permanent staff:		
Salaries	2,856	2,582
Social Security costs	280	252
Pension costs	751	685
Pension fund charges	20	33
<b>Total</b>	<b>3,907</b>	<b>3,552</b>
Temporary staff:		
Salaries	49	-
Social Security costs	3	-
Pension costs	7	-
<b>Total</b>	<b>59</b>	<b>-</b>
<b>Total Staff Costs</b>	<b>3,966</b>	<b>3,552</b>

The average number of whole-time equivalent persons employed (including senior management and fixed term appointments) during the year was as follows:

	2020/21	2019/20
	No.	No.
Directors	2	2
Communications and PA	3	3
Complaints and Investigations	51	50
Improvement Team	5	3
Corporate Services and ITC	7	7
<b>Total</b>	<b>68</b>	<b>65</b>

### 3. Non-Staff Administration Costs

	2020/21	2019/20
	£000	£000
Rentals under operating leases	238	237
External Audit fee	17	15
Legal and professional fees	193	230
Other property costs	123	135
Computer services	309	209
Office costs	151	169
Travel and subsistence	1	45
Training and Recruitment	55	93
Communications	41	87
<b>Sub-total</b>	<b>1,128</b>	<b>1,220</b>
Depreciation	37	36
Amortisation charge	24	24
Loss on disposal	-	-
<b>Sub-total</b>	<b>61</b>	<b>60</b>
<b>Total Other Administration Costs</b>	<b>1,189</b>	<b>1,280</b>

### 4. Operating Income

	2020/21	2019/20
	£000	£000
Seconded staff	(16)	(13)
Pension Fund Surplus Repayment	(974)	-
Other – Future Generations Commissioner	(1)	(1)
<b>Total</b>	<b>(991)</b>	<b>(14)</b>

Further information on the Pension Fund Surplus Repayment can be found in the Pensions Disclosures.



## 5. Operating Costs by Strategic Aims

The costs of providing a first-class Ombudsman service to Wales are set out below. We have 3 strategic aims for delivering our mission and the allocation of costs to each of the aims has been based on the following:

- (a) an estimate of the staff time spent on the objective
- (b) direct allocation of expenditure where applicable
- (c) apportionment of other costs pro rata to the estimate of staff time

	2020/21		2019/20	
	£000	%	£000	%
<b>Strategic Aim 1:</b> A fair, independent, inclusive and responsive complaints service.	3,965	77.2	3,764	78.1
<b>Strategic Aim 2:</b> Promote learning from complaints and stimulate improvements on a wider scale.	959	18.7	849	17.6
<b>Strategic Aim 3:</b> Identify and adopt best practice. Secure value for money and services that are fit for the future. Support staff and ensure good governance which supports and challenges us.	214	4.1	205	4.3
<b>Net Resources Out-turn</b>	<b>5,138</b>	<b>100.0</b>	<b>4,818</b>	<b>100.0</b>

The Aims analysis excludes capital expenditure.

## 6a. Property, Plant and Equipment

2020/21	Plant	Computers and other equipment	Furniture and other fittings	Total
	£000	£000	£000	£000
<b>Cost or valuation at 1 April</b>	<b>156</b>	<b>223</b>	<b>438</b>	<b>817</b>
Additions	-	1	4	5
Disposals	-	-	-	-
<b>At 31 March</b>	<b>156</b>	<b>224</b>	<b>442</b>	<b>822</b>
<b>Depreciation as at 1 April</b>	<b>(156)</b>	<b>(136)</b>	<b>(323)</b>	<b>(615)</b>
Charged in the year	-	(18)	(19)	(37)
Disposals	-	-	-	-
<b>At 31 March</b>	<b>(156)</b>	<b>(154)</b>	<b>(342)</b>	<b>(652)</b>
<b>Carrying amount as at 31 March 2021</b>	<b>-</b>	<b>70</b>	<b>100</b>	<b>170</b>
Carrying amount as at 31 March 2020	-	87	115	202

2019/20	Plant	Computers and other equipment	Furniture and other fittings	Total
	£000	£000	£000	£000
<b>Cost or valuation at 1 April</b>	<b>156</b>	<b>216</b>	<b>428</b>	<b>800</b>
Additions	-	29	24	53
Disposals	-	(22)	(14)	(36)
<b>At 31 March</b>	<b>156</b>	<b>223</b>	<b>438</b>	<b>817</b>
<b>Depreciation as at 1 April</b>	<b>(156)</b>	<b>(139)</b>	<b>(320)</b>	<b>(615)</b>
Charged in the year	-	(19)	(17)	(36)
Disposals	-	22	14	36
<b>At 31 March</b>	<b>(156)</b>	<b>(136)</b>	<b>(323)</b>	<b>(615)</b>
<b>Carrying amount as at 31 March 2020</b>	<b>-</b>	<b>87</b>	<b>115</b>	<b>202</b>
Carrying amount as at 31 March 2019	-	77	108	185

## 6b. Intangible Assets

2020/21	Information Technology	Software Licences	Total
	£000	£000	£000
<b>Cost or valuation at 1 April</b>	<b>497</b>	<b>52</b>	<b>549</b>
Additions	-	-	-
Disposals	-	-	-
<b>At 31 March</b>	<b>497</b>	<b>52</b>	<b>549</b>
<b>Amortisation as at 1 April</b>	<b>(349)</b>	<b>(52)</b>	<b>(401)</b>
Amortisation charged in the year	(24)	-	(24)
Disposals	-	-	-
<b>At 31 March</b>	<b>(373)</b>	<b>(52)</b>	<b>(425)</b>
<b>Carrying Value as at 31 March 2021</b>	<b>124</b>	<b>-</b>	<b>124</b>
Carrying Value as at 31 March 2020	148	-	148

2019/20	Information Technology	Software Licences	Total
	£000	£000	£000
<b>Cost or valuation at 1 April</b>	<b>500</b>	<b>52</b>	<b>552</b>
Additions	-	-	-
Disposals	(3)	-	(3)
<b>At 31 March</b>	<b>497</b>	<b>52</b>	<b>549</b>
<b>Amortisation as at 1 April</b>	<b>(328)</b>	<b>(52)</b>	<b>(380)</b>
Amortisation charged in the year	(24)	-	(24)
Disposals	3	-	3
<b>At 31 March</b>	<b>(349)</b>	<b>(52)</b>	<b>(401)</b>
<b>Carrying Value as at 31 March 2020</b>	<b>148</b>	<b>-</b>	<b>148</b>
Carrying Value as at 31 March 2019	172	-	172

In the opinion of the Public Services Ombudsman for Wales there is no material difference between the net book value of assets at current values and at their historic cost.

## 7. Trade and other Receivables

	2020/21	2019/20
	£000	£000
<b>Amounts falling due within 1 year</b>		
Prepayments	228	207
Trade debtors	-	-
<b>Amounts falling due after more than 1 year</b>		
Prepayments	1	1
<b>Total</b>	<b>229</b>	<b>208</b>

## 8. Cash and Cash Equivalents

Any bank balance held at the year-end must be returned to the Welsh Consolidated Fund. A figure of £20k (£48k in 2019/20) has been included within the accounts, being the net balance at the year-end on all the bank accounts operated by the Public Services Ombudsman for Wales, irrespective of whether the individual account is in debit or credit. The year-end balance will be repaid to the Welsh Consolidated Fund in 2021/22 under the Government of Wales Act 2006.

## 9. Trade Payables and other Current Liabilities

	2020/21	2019/20
	£000	£000
<b>Amounts falling due in 1 year</b>		
Untaken annual leave	175	93
Deferred rent reduction	5	5
Welsh Consolidated Fund - unspent balances	20	48
Trade payables	5	6
Accruals	45	58
	<b>250</b>	<b>210</b>
<b>Amounts falling due in more than 1 year</b>		
Deferred rent reduction	15	20
<b>Total</b>	<b>265</b>	<b>230</b>

## 10. Provisions for Liabilities and Charges

	2020/21				2019/20
	Pensions for Former Commissioners	Dilapidation Costs	Other Costs	Total	Total
	£000	£000	£000	£000	£000
Balance at 1 April	234	292	-	526	525
Additional provision required	17	14	-	31	39
Discount rate movement	3	-	-	3	6
Provisions utilised in the year	(44)	-	-	(44)	(44)
<b>Balance at 31 March</b>	<b>210</b>	<b>306</b>	<b>-</b>	<b>516</b>	<b>526</b>

Analysis of expected timings of payment of provisions:

	2020/21	2019/20
	£000	£000
Payable within 1 year	45	45
Payable within 2 to 5 years	455	157
Payable in more than 5 years	16	324
<b>Balance at 31 March 2021</b>	<b>516</b>	<b>526</b>

Pension provisions are calculated based on the National Life Tables for England and Wales issued by the Office of National Statistics. Later year pension increases are in line with GDP deflator information issued by HM Treasury. The discount factor has been amended to -0.95% for the financial year (-0.50% in 2019/20) in line with the guidance issued by the Treasury. Two surviving spouses of former Commissioners remain as a pension liability.

## 11. Reconciliation of Operating Cost to Operating Cash Flows

	Notes	2020/21	2019/20
		£000	£000
<b>Net operating cost</b>		<b>(4,164)</b>	<b>(4,818)</b>
Adjust for non-cash items	3	61	60
Decrease/(Increase) in trade and other receivables	7	(21)	(32)
Increase/(Decrease) in trade and other payables	9	35	34
Movement in provisions	10	(10)	1
Movement in cash repaid to Welsh Consolidated Fund	8	28	(28)
<b>Net cash outflow from operating activities</b>		<b>(4,071)</b>	<b>(4,783)</b>

## 12. Non-Current Asset Expenditure and Financial Investment

	2020/21	2019/20
	£000	£000
Purchases of property, plant and equipment	(5)	(53)
Proceeds of disposals of property, plant and equipment	-	-
Purchases of intangible assets	-	-
<b>Net cash outflow from investing activities</b>	<b>(5)</b>	<b>(53)</b>

## 13. Reconciliation of Net Cash Requirement to Increase/(Decrease) in Cash

	2020/21	2019/20
	£000	£000
Net Cash Requirement:		
Operating activities	(4,071)	(4,783)
Capital Expenditure	(5)	(53)
	<b>(4,076)</b>	<b>(4,836)</b>
Financing from Welsh Parliament	4,096	4,884
Repayment to Welsh Consolidated Fund	(48)	(20)
<b>Increase/(Decrease) in cash and cash equivalents</b>	<b>(28)</b>	<b>28</b>

## 14. Commitments under Operating Leases

	2020/21	2019/20
	£000	£000
Total future minimum operating lease payments on building:		
Payable within 1 year	198	198
Within 2 and 5 years	699	792
More than 5 years	-	72
	<b>897</b>	<b>1,062</b>
Other		
Payable within 1 year	-	-
Within 2 and 5 years	-	-
More than 5 years	-	-
	-	-
<b>Total of all operating leases</b>	<b>897</b>	<b>1,062</b>

## 15. Contingent Liabilities

None.

## 16. Capital Commitments

There were no capital commitments at 31 March 2021 (2019/20 Nil).

## 17. Related Party Transactions

The PSOW is headed by the Public Services Ombudsman for Wales. The office was established under the Public Services Ombudsman (Wales) Act 2005 and is now governed by the Public Services Ombudsman (Wales) Act 2019. The Ombudsman is independent of Government and the funding arrangements of the office are set up to ensure that the independence of the office is secured. The PSOW has had a number of material transactions with the Welsh Parliament, HM Revenue and Customs (Tax and National Insurance) and the Cabinet Office (payments in respect of the Principal Civil Service Pension Scheme). During the year, no directors, key members of staff or their close relatives have undertaken any material transactions.

## 18. Events after the Reporting Period

None.

## Pension Disclosures

Two pension schemes were operated on behalf of current staff during 2020/21 – The Principal Civil Service Pension Scheme (PCSPS) and the Cardiff and Vale of Glamorgan Pension Fund (the Fund). There also remains an ongoing liability to meet the unfunded pensions of 2 dependant relatives of former Local Government Commissioners.

### Civil Service Pensions

Pension benefits are provided through the Civil Service pension arrangements. From 1 April 2015, a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or **alpha**, which provides benefits on a career average basis with a normal pension age equal to the member's State Pension Age (or 65 if higher). From that date, all newly appointed civil servants and the majority of those already in service joined **alpha**. Prior to that date, civil servants participated in the Principal Civil Service Pension Scheme (PCSPS). The PCSPS has 4 sections: 3 providing benefits on a final salary basis (**classic**, **premium** or **classic plus**) with a normal pension age of 60 and 1 providing benefits on a whole career basis (**nuvos**) with a normal pension age of 65.

These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under **classic**, **premium**, **classic plus**, **nuvos** and **alpha** are increased annually in line with Pensions Increase legislation. Existing members of the PCSPS who were within 10 years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015. Those who were between 10 years and 13 years and 5 months from their normal pension age on 1 April 2012 will switch into **alpha** sometime between 1 June 2015 and 1 February 2022. All members who switch to **alpha** have their PCSPS benefits 'banked', with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave **alpha**. (The pension figures quoted for officials show pension earned in PCSPS or **alpha** – as appropriate. Where the official has benefits in both the PCSPS and **alpha** the figure quoted is the combined value of their benefits in the two schemes.) Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a 'money purchase' stakeholder pension with an employer contribution (**partnership** pension account).



Employee contributions are salary-related and range between 4.6% and 8.05% for members of **classic**, **premium**, **classic plus**, **nuvos** and **alpha**. Benefits in **classic** accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to 3 years initial pension is payable on retirement. For **premium**, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike **classic**, there is no automatic lump sum. **Classic plus** is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per **classic** and benefits for service from October 2002 worked out as in **premium**. In **nuvos**, a member builds up a pension based on their pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. Benefits in **alpha** build up in a similar way to **nuvos**, except that the accrual rate is 2.32%. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

The **partnership** pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of providers. The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme, if they are already at or over pension age. Pension age is 60 for members of **classic**, **premium** and **classic plus**, 65 for members of **nuvos**, and the higher of 65 or State Pension Age for members of **alpha**. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the 2 schemes but note that part of that pension may be payable from different ages.)

Further details about the Civil Service pension arrangements can be found at the website [www.civilservicepensionscheme.org.uk](http://www.civilservicepensionscheme.org.uk)

## **Cash Equivalent Transfer Values**

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity, to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

## **Real Increase in CETV**

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

## **Compensation for loss of office**

No staff left under Voluntary Exit or Voluntary Redundancy terms during the financial year.

## Cardiff and Vale Pension Fund - Local Government Pension Scheme

The last remaining employee of the Cardiff and Vale of Glamorgan Pension Fund retired in 2020/21 meaning that PSOW, as the employer, exited the Fund.

Local Government Pension Scheme Regulations require that:

- An actuarial valuation at the exit date is obtained.
- A certificate showing the exit payment due or excess of assets over liabilities is completed.

The surplus in the Fund at the exit date was £974,000 and this was repaid by the Cardiff and Vale of Glamorgan Pension Fund in December 2020. The value at 31 March 2021 was nil.

### Reconciliation of funded status to Statement of Financial Position

	Value at	
	31 December 2020	31 March 2020
	£M	£M
Fair value of assets	7.062	7.080
Present value of funded defined benefit obligation	6.088	5.040
<b>Funded status</b>	<b>0.974</b>	<b>2.040</b>
Unrecognised asset	N/A	(0.960)
<b>Asset/(Liability) recognised on balance sheet</b>	<b>0.974</b>	<b>1.080</b>

The Actuary has set out below a brief explanation of the key reasons for the reduction in surplus between the 31 March 2020 position (surplus of £1.080M) and the exit position (surplus of £0.974M):

1. Change in financial assumptions - the investment return assumption at the exit date was 1.0% and the pension increase assumption was 2.2%. These were based on market conditions at the exit date, and in particular the investment return assumption is based on the underlying yield on government bonds which is currently very low. The equivalent figures at the 2019 valuation were 1.3% and 2.1% respectively. A lower investment return assumption places a higher value on the liabilities, as does a higher pension increase assumption.

PSOW has a low risk notional investment strategy. Under this strategy it is generally expected that any increase in liabilities would be broadly offset by an increase in the assets (and vice versa). However, over the period since the 2019 valuation due to the volatile market movements the increase in assets did not offset the increase in liabilities.

2. Allowance for the McCloud judgement, Cost Management and GMP indexation. This resulted in a reduction in the surplus of approximately £0.06M.
3. Other changes - the remainder of the difference was due to other changes, including membership movements over the period (i.e. the impact of members moving from active to pensioner status).

## **Pensions for former Ombudsmen**

With the agreement of the Secretary of State for Wales in 1991 and subsequent confirmation by Statutory Instrument 1993 No. 1367, Local Government Commissioners became eligible to join the Local Government Pension Scheme. However, the pensions of the 3 previous Local Government Commissioners remained the responsibility of the Public Services Ombudsman for Wales and are met through the Statement of Comprehensive Net Expenditure. At 31 March 2021 two surviving spouses of former Commissioners continued to receive a pension.

Pensions are increased annually in line with other pension schemes within the Public Sector. The basis of calculations of the Annual Pensions Increase has been changed from using the annual movement based on the Retail Price Index (RPI) to the Consumer Price Index (CPI). The amount of the uplift applied is normally set out in the Statutory Instrument Pensions Increase (Review) Order. This uplift for 2020/21 was 1.7%.

The total payments during 2020/21 were £44k (£44k in 2019/20). The liabilities arising out of the obligation to finance these pensions together with any dependant pensions has been calculated to be £209k (£234k in 2019/20). The calculation to determine the overall liability has been carried out internally using life expectancy tables for males and females in Wales obtained from the website of the Government Actuary's Department. A discount rate, from PES (2020), of -0.95% (-0.50% in 2019/20) has been applied in accordance with the Treasury guidance that all pension liabilities should be discounted.

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