



City and County of Swansea

Notice of Meeting

You are invited to attend a Meeting of the

Standards Committee

At: Committee Room 3A, Guildhall, Swansea

On: Friday, 13 October 2017

Time: 9.35 am

Chair: Jill Burgess

Membership:

Councillors: J A Hale, M B Lewis and L G Thomas

Independent Members: G Evans, M Jones, M Lewis and M Williams

Community / Town Council Representative: P Crayford

Agenda

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Next Meeting: Friday, 12 January 2018 at 9.35 am

Huw Evans

Huw Evans
Head of Democratic Services
Friday, 6 October 2017

Contact: Democratic Services – (01792) 636923

STANDARDS COMMITTEE (3)

Labour Councillors: 2

| | |
|------------|-----------------|
| Joe A Hale | Michael B Lewis |
|------------|-----------------|

Liberal Democrats/Independent Councillors: 1

| | |
|-----------------|--|
| L Graham Thomas | |
|-----------------|--|

| Name | Term of Office | Name | Term of Office |
|-----------------|---|-------------------|-----------------------------|
| Jill Burgess | 19.10.2012 to 18 10.2018 | Michaela Jones | 01.10.2017 to 30.09.2023 |
| Philip Crayford | 26.11.2015 to 04.05.2017 reappointed to 6 May 2021 | Mike Lewis | 01.10.2017 to 30.09.2023 |
| Gareth Evans | 01.04.2015 to 31.03.2021 | Margaret Williams | 01.04.2015 to 31.03.2021 |



City and County of Swansea

Minutes of the **Standards Committee**

Committee Room 5, Guildhall, Swansea

Friday, 7 July 2017 at 9.35 am

Present:

Councillor(s)

J A Hale

Councillor(s)

L G Thomas

Councillor(s)

Independent Member(s)

J Burgess

Independent Member(s)

G Evans

Independent Member(s)

M Williams

Officer(s)

Huw Evans

Allison Lowe

Tracey Meredith

Head of Democratic Services

Democratic Services Officer

Monitoring Officer

Apologies for Absence

Councillor(s): M B Lewis

Community / Town Council Representative: P Crayford

1 Election of Chair for the Municipal Year 2017-2018.

RESOLVED that Jill Burgess be elected Chair for the Municipal Year 2017-2018.

(JILL BURGESS, CHAIR PRESIDED)

2 Election of Vice Chair for the Municipal Year 2017-2018.

RESOLVED that Margaret Williams be elected Vice Chair for the Municipal Year 2017-2018.

3 Disclosures of Personal and Prejudicial Interests.

In accordance with the Code of Conduct adopted by the City & County of Swansea, the following interests were declared:

- 1) Councillor J A Hale declared a personal and prejudicial interest in Minute 10 "Requests for Dispensations" and withdrew from the meeting prior to the item being discussed.

4 Minutes.

RESOLVED that the minutes of the Standards Committee held on 20 January 2017 be signed and approved as a correct record.

Matters Arising:

Item 23 – Update on Independent Member of Standards Committee Vacancies (Verbal)

The Head of Democratic Services provided a verbal update on the current situation. Following re-advertisement to a wider audience, 25 applications had been received.

Shortlisting is scheduled for 24 July and interviews are scheduled for 4 September 2017.

5 Model Local Resolution Protocol for Community and Town Councils.

The Monitoring Officer updated the Standards Committee on the Local Resolution Protocol for Community and Town Councils as supported by Once Voice Wales.

RESOLVED that the Standards Committee approve and encourage the adoption of the Model Local Resolution Protocol for Community and Town Councils and that a letter be sent to all Clerks of Community and Town Councils encouraging them to adopt a Protocol.

6 Code of Conduct Casebook.

The Monitoring Officer updated the Standards Committee on the Ombudsman's Code of Conduct Casebooks.

She highlighted certain cases in both Issue 11 January 2017 and Issue 12 April 2017 and also the table on page 25 of the agenda pack which showed that 14% less code complaints had been made in 2015/16. The PSOW believed that this was due to the introduction of local resolution protocols for county councils.

She also provided a verbal update on Adjudication Panel for Wales cases.

RESOLVED that the updates be noted.

7 Breach of Code of Conduct - Complaints made to the Public Services Ombudsman for Wales (PSOW).

The Monitoring Officer provided a list of Complaints made to the Public Services Ombudsman for Wales (PSOW) in relation to alleged Breaches of the Code of Conduct.

RESOLVED that the report be noted.

8 Workplan 2017-2018 (Verbal).

The Head of Democratic Services outlined the following items for the work plan.

- Code of Conduct Cases;

- Discussions with Groups Leaders / Chairs of Committees – due to the Local Government Election and 2 new Group Leaders, it was felt that in order to give the new Councillors time to “bed in” that these discussions should start in January 2018;
- Code of Conduct Training (in addition, Co-Opted Members should be informed of other training events scheduled);
- Review of the Terms of Reference and overseeing Members Interests.

9 Exclusion of the Public.

The Committee was requested to exclude the public from the meeting during the consideration of the item(s) of business identified in the recommendation to the report on the grounds that it involved the likely disclosure of exempt information as set out in the exemption paragraph of Schedule 12A of the Local Government Act 1972, as amended by the Local Government (Access to Information) (Variation) (Wales) Order 2007, relevant to the item(s) of business set out in the report.

The Committee considered the Public Interest Test in deciding whether to exclude the public from the meeting for the item(s) of business where the Public Interest Test was relevant as set out in the report.

RESOLVED that the public be excluded for the following items of business.

(CLOSED SESSION)

10 Requests for Dispensations.

The Monitoring Officer provided a report to consider applications for dispensations in relation to the following Councillors:

- i) S M Jones
- ii) J A Hale
- iii) M Thomas
- iv) M C Child
- v) C A Holley
- vi) T M White
- vii) F M Gordon

In considering the granting of dispensations, the Committee need to balance the public interest in preventing members with prejudicial interests from taking part in decisions, against the public interest in decisions being taken by a representative group of members of the Authority.

A failure to grant a dispensation which results in an authority or committee not achieving a quorum, can constitute grounds for granting a dispensation.

- i) **RESOLVED** that that the Standards Committee grant Councillor S M Jones dispensation under paragraphs 2 (d) and (Grant of Dispensations) (Wales) Regulations 2001 (as amended), as follows:

To stay, speak and vote and make oral and written representations in respect of issues involving Education matters.

The dispensation shall NOT apply if the Councillor is or becomes aware of any impact on a closely associated person (within the meaning of paragraph 10 (2) (c) of the Code of Conduct) that relates to and is specific to her son.

- ii) **RESOLVED** that that the Standards Committee grant Councillor J A Hale dispensation under paragraphs 2 (d) and (Grant of Dispensations) (Wales) Regulations 2001 (as amended), as follows:

To stay, speak and vote and make oral and written representations in respect of issues involving Adult Social Services matters.

The dispensation shall NOT apply if the Councillor is or becomes aware of any impact on a closely associated person (within the meaning of paragraph 10 (2) (c) of the Code of Conduct) that relates to and is specific to his wife.

In relation to Councillor J A Hale's request for Dispensation in relation to his Trade Union role, the Committee requested further information on this matter.

- iii) **RESOLVED** that that the Standards Committee grant Councillor M Thomas dispensation under paragraphs 2 (d) and (Grant of Dispensations) (Wales) Regulations 2001 (as amended), as follows:

To stay, speak and vote and make oral and written representations in respect of issues involving Adult Social Services matters.

The dispensation shall NOT apply if the Councillor is or becomes aware of any impact on a closely associated person (within the meaning of paragraph 10 (2) (c) of the Code of Conduct) that relates to and is specific to his wife.

- iv) **RESOLVED** that that the Standards Committee grant Councillor M C Child dispensation under paragraphs 2 (d) and (Grant of Dispensations) (Wales) Regulations 2001 (as amended), as follows:

To exercise executive powers, stay, speak and vote and make oral and written representations in respect of issues involving Adult Social Services matters.

The dispensation shall NOT apply if the Councillor is or becomes aware of any impact on a closely associated person (within the meaning of paragraph 10 (2) (c) of the Code of Conduct) that relates to and is specific to Tŷ Waunarlwydd Care Home and/or his mother.

- v) **RESOLVED** that that the Standards Committee grant Councillor C A Holley dispensation under paragraphs 2 (d) and (Grant of Dispensations) (Wales) Regulations 2001 (as amended), as follows:

To stay, speak and vote and make oral and written representations in respect of issues involving Adult Social Services matters.

The dispensation shall NOT apply if the Councillor is or becomes aware of any impact on a closely associated person (within the meaning of paragraph 10 (2) (c) of the Code of Conduct) that relates to and is specific to his daughter.

- vi) **RESOLVED** that that the Standards Committee grant Councillor T M White dispensation under paragraphs 2 (d) and (Grant of Dispensations) (Wales) Regulations 2001 (as amended), as follows:

To stay, speak and vote and make oral and written representations in respect of issues involving Education matters.

The dispensation shall NOT apply if the Councillor is or becomes aware of any impact on a closely associated person (within the meaning of paragraph 10 (2) (c) of the Code of Conduct) that relates to and is specific to his daughter.

In relation to Councillor T M White's request for Dispensation in relation to his son being in receipt of single owner occupier (Council Tax) reduction. The Committee requested further information on this matter.

- viii) **RESOLVED** that that the Standards Committee grant Councillor F M Gordon dispensation under paragraphs 2 (d) and (Grant of Dispensations) (Wales) Regulations 2001 (as amended), as follows:

To stay, speak and vote and make oral and written representations in respect of issues involving Poverty Team, Families First and Early Intervention matters.

The dispensation shall NOT apply if the Councillor is or becomes aware of any impact on a closely associated person (within the meaning of paragraph 10 (2) (c) of the Code of Conduct) that relates to and is specific to her son.

All the above Dispensations will cease at the next Local Government Election in May 2022.

The meeting ended at 11.27 am

Chair

Agenda Item 4



Report of the Head of Democratic Services

Standards Committee – 13 October 2017

Standards Committee Annual Report 2016-2017

| | |
|------------------------------------|---|
| Purpose: | This report sets out the work of the Standards Committee from 2016-2017. |
| Policy Framework: | None. |
| Consultation: | Access to Services, Finance, Legal. |
| Recommendation(s): | It is recommended that: |
| 1) | The Standards Committee Annual Report 2016-2017 be approved and forwarded to Council for information. |
| Report Author: | Huw Evans |
| Finance Officer: | Ben Smith |
| Legal Officer: | Tracey Meredith |
| Access to Services Officer: | Phil Couch |

1. Introduction

- 1.1 Attached as **Appendix A** is the Draft Standards Committee Annual Report 2016-2017. If the Standards Committee agrees the Annual Report it will be submitted to Council on 26 October 2017.

2. Equality and Engagement Implications

- 2.1 An Equality Impact Assessment (EIA) screening process took place prior to the consultation period. The outcome indicated that it was low priority and a full report was not required.

3. Financial Implications

- 3.1 Any financial implications are set out in the report below.

4. Legal Implications

- 4.1 Any legal implications are set out in the report below.

Background Papers: None.

Appendices:

Appendix A Standards Committee Annual Report 2016-2017.



Report of the Chair of the Standards Committee

Council – 26 October 2017

Standards Committee Annual Report 2016-2017

Purpose: This report sets out the work of the Standards Committee 2016-2017.

Report Author: Huw Evans

Finance Officer: Ben Smith

Legal Officer: Tracey Meredith

Access to Services Officer: Phil Couch

For Information

1. Introduction

- 1.1 The Local Government Act 2000 requires the Council to establish a Standards Committee to promote and maintain high standards of conduct and probity in the conduct of Councillors of the City and County of Swansea. The Standards Committee has been in operation since October 2000.
- 1.2 This Standards Committee Annual Report covers the period from 19 May 2016 to 24 May 2017.

2. Membership of Standards Committee

2.1 The Standards Committee consists of 9 members:

- 5 x Independent (Co-opted) Members;
- 3 x Councillors of the City and County of Swansea;
- 1 x Community / Town Councillor.

2.3 Membership of the Standards Committee during the period:

| Independent Members | Notes |
|---------------------|--|
| Jill Burgess | Vice Chair - 17.04.2015-06.10.2016 Chair - 07.10.2016 |
| Gareth Evans | - |

| | |
|-------------------|----------------------|
| Jennifer Gomes | Ceased on 04.12.2016 |
| Meirion Howells | Ceased on 31.07.2016 |
| Margaret Williams | - |

| | |
|------------------------------------|---------------------------|
| Community / Town Councillor | Notes |
| Philip Crayford | Appointed from 26.11.2015 |

| | |
|--------------------|--------------|
| Councillors | Notes |
| Joe A Hale | - |
| Clive E Lloyd | - |
| L Graham Thomas | - |

3. Terms of Office - Independent Members of the Standards Committee

3.1 The term of office for Independent Members can be for not less than 4 years and for no more than 6 years. They can be reappointed for one further consecutive term but that term cannot be for more than an additional four years.

3.2 The table below shows the dates of commencement and subsequent expiry dates of membership for all Independent (Co-opted) Members of the Standards Committee. **Note:** Independent Members marked in *italics* and with “*” denotes that they are in their second term and cannot have their term extended further.

| Independent Members | Appointment Terms | |
|----------------------------|--------------------------|-----------------|
| | Start | End |
| <i>Meirion Howells</i> * | 1 August 2008 | 31 July 2016 |
| <i>Jennifer Gomes</i> * | 5 December 2008 | 4 December 2016 |
| Jill Burgess | 12 October 2013 | 11 October 2019 |
| Gareth Evans | 1 April 2015 | 31 March 2021 |
| Margaret Williams | 1 April 2015 | 31 March 2021 |

4. Term of Office - Community / Town Council Member of the Standards Committee

4.1 The term of office shall be no more than 4 years or until the Ordinary Election for the Community Council of which the Community Councillor is a member, whichever is the shorter. They may be re-appointed once.

4.2 A Community / Town Council member shall not take part in the proceedings of the Standards Committee when matters relating to their Community / Town Council are being considered.

| Community / Town Council Member | Appointment Terms | |
|--|--------------------------|-------------|
| | Start | End |
| Philip Crayford | 26 November 2015 | 04 May 2017 |
| | Re-appointed | 6 May 2021 |

5. Meetings of the Standards Committee

5.1 The Standards Committee met four times during the period as follows:

| | |
|--------------|-----------------|
| 3 June 2016 | 7 October 2016 |
| 12 July 2016 | 20 January 2017 |

6. Detail of the Work undertaken by the Standards Committee

6.1 The following paragraphs set out the work carried out by the Standards Committee during the reporting period.

7. Code of Conduct

7.1 A new Model Code of Conduct was adopted by Council at its Annual Meeting on 19 May 2016. The Monitoring Officer reported the changes to the Standards Committee on 3 June 2016.

8. Local Government Ethical Framework – New Statutory Provision

8.1 The Committee were updated on the Local Government (Standards Committees, Investigations, Dispensations and Referral) (Wales) (Amendment) Regulations 2016 came into force on 1 April 2016. The Regulations amended the following regulations:

- Standards Committees (Wales) Regulations 2001;
- The Local Government Investigations (Functions of Monitoring Officers and Standards Committee) (Wales) Regulations 2001;
- Local Authorities (Grant of Dispensations) (Wales) Regulations 2001.

9. Public Services Ombudsman for Wales (PSOW) Annual Report and Annual Letter 2015-2016

9.1 The Committee discussed the complaints contained within the Report and Letter whereby the PSOW had re-emphasised his intent that his Office is devoted to issues of real concern and not trivial complaints about the Councillors Code of Conduct.

9.2 The Committee noted that the number of Code of Conduct complaints had risen by 19. This was solely attributable to Community and Town Councils, where complaints rose by 49%.

10. Attendance at Community / Town Council Meetings by Members of the Standards Committee

10.1 Following liaison with a number of other Welsh Authorities, an “Attendance at Community / Town Council Meetings by Members of the Standards Committee Protocol” was adopted by the Committee.

11. Dispensation Regime

- 11.1 The Committee reviewed the dispensation regime, and approved amendments to the “Request for Dispensation Form” in order to simplify it and improve the guidance notes in order to reflect the legislation changes.

12. Complaints of Breach of the Code of Conduct

- 12.1 During the period 1 April 2016 to 31 March 2017 the following matters were emailed to or reported to the Standards Committee for information.

a) Complaints made but not investigated by the Ombudsman under the provisions of Section 69(2) of the Local Government Act 2000

There were 10 cases where the Ombudsman refused to investigate an alleged breach of the Code of Conduct following a complaint.

b) Investigations completed by the Ombudsman where the decision was no evidence of breach or no action taken

There were no cases where the Ombudsman investigated but found that there was no evidence of any failure to comply with the Code of Conduct.

c) Investigations undertaken by the Ombudsman where the decision was to discontinue the investigation

There were 2 cases where the Ombudsman had commenced an investigation and subsequently decided to discontinue that investigation.

d) Investigations under the provisions of Section 70 (4) of the Local Government Act 2000 – referred to the Standards Committee for consideration

Breaches of the Code of Conduct may be referred to the Monitoring Officer by the Ombudsman under the provisions of Section 69 (c) and 71(2) of the Local Government Act 2000 for consideration by the Standards Committee. Where there is a finding of a breach, public reports on such cases are published on the Council’s website.

No such referrals have been received during the period of this report.

13 Appointment of Independent Members (x2) to Standards Committee

- 13.1 Two (Meirion Howells and Jennifer Gomes) of the Co-opted Members’ terms of office ended during this term. The Committee and Council paid tribute to their work over their terms of office.

- 13.2 The process also commenced to recruit and appoint replacements to the Committee; however this process continues.

14. Reports “For Information”

- 14.1 A number of reports were noted by the Committee, including the Ombudsman’s Code of Conduct Casebook and the Standards Committee Annual Report 2015-2016.

15. Equality and Engagement Implications

- 15.1 There are no equality and engagement implications associated with this report.

16. Financial Implications

- 16.1 There are no financial implications associated with this report.

17. Legal Implications

- 17.1 There are no legal implications associated with this report.

Background Papers: None.

Appendices: None.

Agenda Item 5



Report of the Monitoring Officer

Standards Committee – 13 October 2017

Public Service Ombudsman for Wales Annual Report for 2016/17

| | |
|------------------------------------|--|
| Purpose: | To update the Standards Committee on the Annual Report of the Public Service Ombudsman for Wales 2016/17 |
| Report Author: | Tracey Meredith |
| Finance Officer: | Ben Smith |
| Legal Officer: | Tracey Meredith |
| Access to Services Officer: | Sherill Hopkins |
| For Information | |

1. Background

- 1.1 The Public Service Ombudsman for Wales (PSOW) has published his Annual Report for 2016/17 which is attached at Appendix A.
- 1.2 The Annual Report sets out performance over the year including both complaints about public service providers as well as code of conduct complaints.

2. Report details

- 2.1 The number of code of conduct complaints decreased by 14% which the PSOW found encouraging. The majority of complaints received during 2016/17 related to matters of promotion of equality and respect which accounted for 37% (compared to 41% in 2015/16) of the complaints made. 23% related to failure to disclose or register interests; 18% related to failure to act with integrity; 14% related to failure to be objective or act with propriety and 4% related to accountability and openness.

- 2.2 Of those complaints, 248 were closed (down 6% on 2015/16). The majority (184) were closed under the category “Closed after initial consideration”. This includes decisions such as
- There was no prima facie evidence of breach of the Code
 - The alleged breach was insufficiently serious to warrant an investigation (and unlikely to attract a sanction).
- 2.3 With regard to closed cases, a greater number were fully investigated (34) compared to 2015/16 (27). A detailed breakdown of the outcome of code of conduct complaints is found at page 21 of the Annual Report.
- 2.4 A statistical breakdown of code of conduct complaints by outcomes and local authority is contained at page 105 of the Annual Report.

3. Legal Implications

- 3.1 There are no legal implications associated with this report.

4. Financial Implications

- 4.1 There are no financial implications associated with this report.

5. Equality and Engagement Implications

- 5.1 There are no equality and engagement implications associated with this report.

Background Papers: None

Appendices: Appendix A – Public Service Ombudsman for Wales Annual Report and Accounts 2016/17

ANNUAL REPORT AND ACCOUNTS

2016/17



Annual Report & Accounts

of

The Public Services Ombudsman for Wales
for the year ended
31 March 2017

Laid before the National Assembly for Wales
under paragraphs 14,16 and 17 of Schedule 1
of the Public Services Ombudsman (Wales) Act 2005

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**Performance
Report**

Ombudsman's Review of the Year



It is with great pleasure that I present the first combined annual report and accounts for the Public Services Ombudsman for Wales (PSOW) for the year ended 31 March 2017, which was my second full year in office. In accordance with paragraph 18 of Schedule 1 to the Act, I have personal responsibility for the overall organisation, management and staffing of the office and for its procedures in relation to financial and other matters.

Progress in Innovation, Improvement and Influence: A Review of 2016/17

I am delighted to be able to report substantial progress in the activities of the office over the past year, with specific reference to our three year strategic themes of *innovation*, *improvement* and *influence*, which have led to substantial increases in outcomes for complainants and, I hope, positive impacts on public services.

In terms of *innovation* the office made further progress on compliance, ensuring that recommendations for improvement are implemented and that we ensure that the learning from complaints is acted upon. We also continued to make progress with changes emerging from our paperless project.

This year I established Sounding Boards for the first time, holding meetings with voluntary sector representatives and the health sector, providing a “safe space” where bodies in jurisdiction, or key representative bodies, can challenge me about what we do and how we do it.

One area of particular improvement was the improvement on timescales – with a move towards *complainant centred timescales* and I am pleased that the Complaints Advice Team succeeded in ensuring that targets are met from when we receive complaints, rather than

when we have gathered sufficient information in order to investigate. The establishment of the Code Advisory Group has meant the proactive oversight of code of conduct complaints, and a seven per cent reduction in cases taking longer than six months. I was delighted that the introduction of the Public Interest Test has reduced the number of low-level complaints being considered by my office and that in the very rare occasions where we do refer more serious matters to the Adjudication Panel for Wales, it has found breaches of the code.

A new Quality Assurance Framework was developed with staff so that as well as coping with ever increasing quantities of work, the qualitative aspects of what we do are also supported. There have also been a range of good practice seminars for staff and a Staff Risk Workshop to

help support a new approach to Risk Management. We also appointed ICRS in order to undertake independent review of complaints about our services and also undertook a review of our information security.

The *improvement* function has started well. All Improvement Officers have developed specific action plans for the relevant bodies in jurisdiction this has led to a number of specific improvements in their complaint handling cultures:

Ceredigion County Council accounted for 28 per cent of upheld local government closed complaints in 2014/15; in 2016/17 this figure was 17 per cent.

Abertawe Bro Morgannwg University Health Board saw a substantial reduction of more than 25 per cent of their complaints received.

There was a small reduction in overall complaints closed against Aneurin Bevan University Health Board, which included a 14 per cent reduction in upheld complaints.

Whilst both Hywel Dda and Cwm Taf University Health Boards saw a significant increase in their complaint volumes, I am pleased to see that there was no corresponding increase in upheld complaints for Hywel Dda. In fact, there was a 50 per cent reduction. However, Cwm Taf saw a slight increase in upheld reports.

Unfortunately complaint volumes, upheld complaints, and public interest reports all increased for Betsi Cadwaladr University Health Board in 2016/17.

Given the variance in Health Board performance in complaint handling my office will be organising a special seminar for health complaints and best practice.

I was delighted that my first thematic report on Out of Hours services led to a peer review by the Welsh Government to be implemented throughout 2017. I produced a further thematic report *Ending Groundhog Day, Lessons from Poor Complaint Handling* in March 2017.

In 2016/17 there was a further increase in the use of Voluntary Settlement, an increase of some 26% per cent on the previous year. However, whilst this can lead to speedier resolution for complainants and cheaper processes for public services, it is important that Early Resolution is not seen as some form of easy escape for bodies in my jurisdiction. In May 2016 I issued a Section 22 report against Hywel Dda University Health Board when it failed to comply with an Early Resolution agreement. I expect the same level of compliance to an Early Resolution as with a recommendation emanating from an investigation.

I published six public interest reports in the course of the year, three of which were in relation to Betsi Cadwaladr University Health Board, a number of health reports also related to Out of Hours services.

In order to meet the needs of the people of Wales, my office can only function effectively through getting the best out of the talented people in its employ. During 2016/17 further developments were made to a new performance review and development planning system with further investment in training including HR support, Management Training and Coaching. We conducted a Staff Survey which led to an action plan which is being implemented. We have also looked at the structure of the organisation with further changes in relation to policy, communications, data, HR, information and ICT to ensure that we are fit for the future. In terms of staffing costs of particular note was the confirmation by the Cardiff and Vale of Glamorgan Pension Fund that the long standing pension deficit has been eradicated with the office intending to return £292,000 of the cash allocated in the 2017/18 Estimates. No further deficit payments are required.

In terms of our *influence* and collaboration with other bodies inside and outside Wales 2016/17 was a busy year. We implemented joint Internal Audit arrangements with the Older People and the Children's Commissioners and also implemented payroll arrangements for the Future Generations Commissioner. I was also delighted to participate in Wales Audit Office events on complaints in both North and South Wales. Memoranda of Understanding were signed with a number of Commissioners and Healthcare Inspectorate Wales.

I also met with NHS Chief Executives, Medical Directors and the NHS Confederation ensuring robust but constructive engagement and discussion.

During the course of the year I had positive appearances at the Equality, Local Government and Communities Committee and the Finance Committee of the National Assembly for Wales (NAW).

I was delighted to be elected to both the European and World Boards of the International Ombudsman Institute (IOI) and to continue as vice Chair of the Ombudsman Association (OA). PSOW staff have also played a key part in broader networks, with Chris Vinestock, the Chief Operating Officer, contributing to work on Service Standards across the sector, Katrin Shaw, Assistant Director of Investigations, chairing the Ombudsman Association Legal Interest Group and Marilyn Morgan providing PA services on a part time basis to the OA. One Investigation Manager, Claire Beynon, provided direct training to the new Northern Ireland Public Service Ombudsman and Jenny Strinati and Susan Hudson collaborated with other jurisdictions on Equality and Human Rights issues.

In October 2016 the IOI and OA held a seminar at Aberystwyth University which looked at the differing jurisdictions emerging in Scotland, Ireland and Northern Ireland in the context of draft PSOW legislation and the event was addressed by Rafael Ribó, Catalan Ombudsman and President of the European IOI, as well as Simon Thomas AM Chair of the NAW Finance Committee.

During 2016/17 we submitted a Regulatory Impact Assessment to the Finance Committee and I am very hopeful that the legislation will now be taken forward in 2017/18.

Finally, 2016/17 was a year of not just positive activity, but of positive outcomes. Despite the challenge of increasing workloads the number of complainants who received a positive outcome from my office, either through voluntary settlement or an upheld complaint, increased by 16 per cent!



Nick Bennett
Ombudsman

SNAPSHOT OF THE YEAR 2016/17

April

Published our new three-year strategic plan 'Innovation, Influence and Improvement'



May

Issued the first ever special report against a Health Board under Section 22 of the PSOW Act



June

Held our first meeting of the Service User Sounding Board comprising representatives from voluntary and advocacy groups to feedback on accessibility and of our service and processes

Chaired the Academi Wales summer school

Participated in Wales Audit Office complaints seminars



July

Our annual report highlighted a 4% rise in Welsh NHS complaints

Issued the Annual Letters to Health Boards and County Councils



August

Exhibited at the National Eisteddfod in Abergavenny

Issued updated Code of Conduct Guidance for county and town/community councillors



September

Took steps to improve transparency and openness by publishing our first open data spreadsheet – a list of all complaints closed by the office during 2015/16



SNAPSHOT OF THE YEAR 2016/17

October

Held a joint seminar with The WISERD-Centre for Welsh Politics and Society, Aberystwyth University, the Ombudsman Association and the International Ombudsman Institute to discuss the Ombudsman in a decade of public policy change

Elected as a Director of International Ombudsman Institute



November

Held our first Health Sector Sounding Board meeting

Issued three public interest reports against Health Boards



December

Welsh Government committed to conducting a peer review of out of hours care following a recommendation in our thematic report last year

Issued a public interest report against Bridgend County Borough Council for not monitoring a looked-after child's savings while he was in care, eventually resulting in him receiving the full amount back



January

Held awareness session on the role of the Ombudsman for Assembly Members



February

Launched the pilot of a tool to help investigators consider human rights in Ombudsman casework



March

Raised awareness of our work at the first Wales Council for Voluntary Action's annual conference

Published the second thematic report in 12 months - 'Ending Groundhog Day: Lessons from Poor Complaint Handling' which looked at failings in investigations by public bodies in Wales



Who we are, what we do

Role of the Public Services Ombudsman for Wales

As Ombudsman, I have two specific roles. The first is to consider complaints about public services providers in Wales; the second role is to consider complaints that members of local authorities have broken the Code of Conduct. I am independent of all government bodies and the service that I provide is free of charge.

Complaints about public service providers

Under the PSOW Act 2005, I consider complaints about bodies which, generally, are those that provide public services where responsibility for their provision has been devolved to Wales. The types of bodies I can look into include:

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

I am also able to consider complaints about privately arranged or funded social care and palliative care services.

When considering complaints, I look to see whether people have been treated unfairly or inconsiderately, or have received a bad service through some fault on the part of the service provider. Attention will also be given to whether the service provider has acted in accordance with the law and its own policies. If a complaint is upheld I will recommend appropriate redress. The main approach taken when recommending redress is, where possible, to put the complainant (or the person who has suffered the injustice) back in the position they would have been in if the problem had not occurred. Furthermore, if from the investigation I see evidence of a systemic weakness, then recommendations will be made with the aim of reducing the likelihood of others being similarly affected in future.

Code of Conduct Complaints

Under the provisions of Part III of the Local Government Act 2000 and also relevant Orders made by the National Assembly for Wales under that Act, I consider complaints that

members of local authorities have breached their authority's Code of Conduct. I can consider complaints about the behaviour of members of:

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

All these authorities have a code of conduct which sets out in detail how members must follow recognised principles of behaviour in public life.

If a county councillor wishes to make a complaint about another county councillor within their own authority, then I expect them to first of all make their complaint to that authority's Monitoring Officer, as it may be possible to resolve the matter locally without my involvement.

Management Team

The Management Team has continued to support and advise me in relation to strategic direction as well as the operational, day to day, running of the office.

Shared Services and Collaboration

My Finance, ICT and HR staff, who enable the delivery of our objectives, already work collaboratively when appropriate, sharing professional knowledge through a network comprising Welsh Government sponsored bodies plus Commissioners and they will continue to do so.

We continue to look to identify opportunities to work towards any pooled arrangement for sharing knowledge, skills and experience to achieve cost savings.

Improvement Officers

Last year I introduced into the roles of a number of investigation staff in my office, the additional role of 'improvement officer'. Whilst the main element of their role remains the investigation of complaints, their improvement role will include stakeholder engagement with certain bodies in jurisdiction as well as subject leads for areas which continue to affect quality public services.

I am pleased to say that I do not consider Cardiff & Vale University Health Board a priority for improvement engagement with my office any longer and so it no longer has an improvement officer linked to it. However, an improvement officer has been assigned to one new body for the coming year.

So for 2017/18 those organisations assigned an Improvement Officer are:

- Abertawe Bro Morgannwg University Health Board
- Aneurin Bevan University Health Board
- Betsi Cadwaladr University Health Board
- Ceredigion County Council
- Cwm Taf University Health Board
- Hywel Dda University Health Board
- Powys County Council

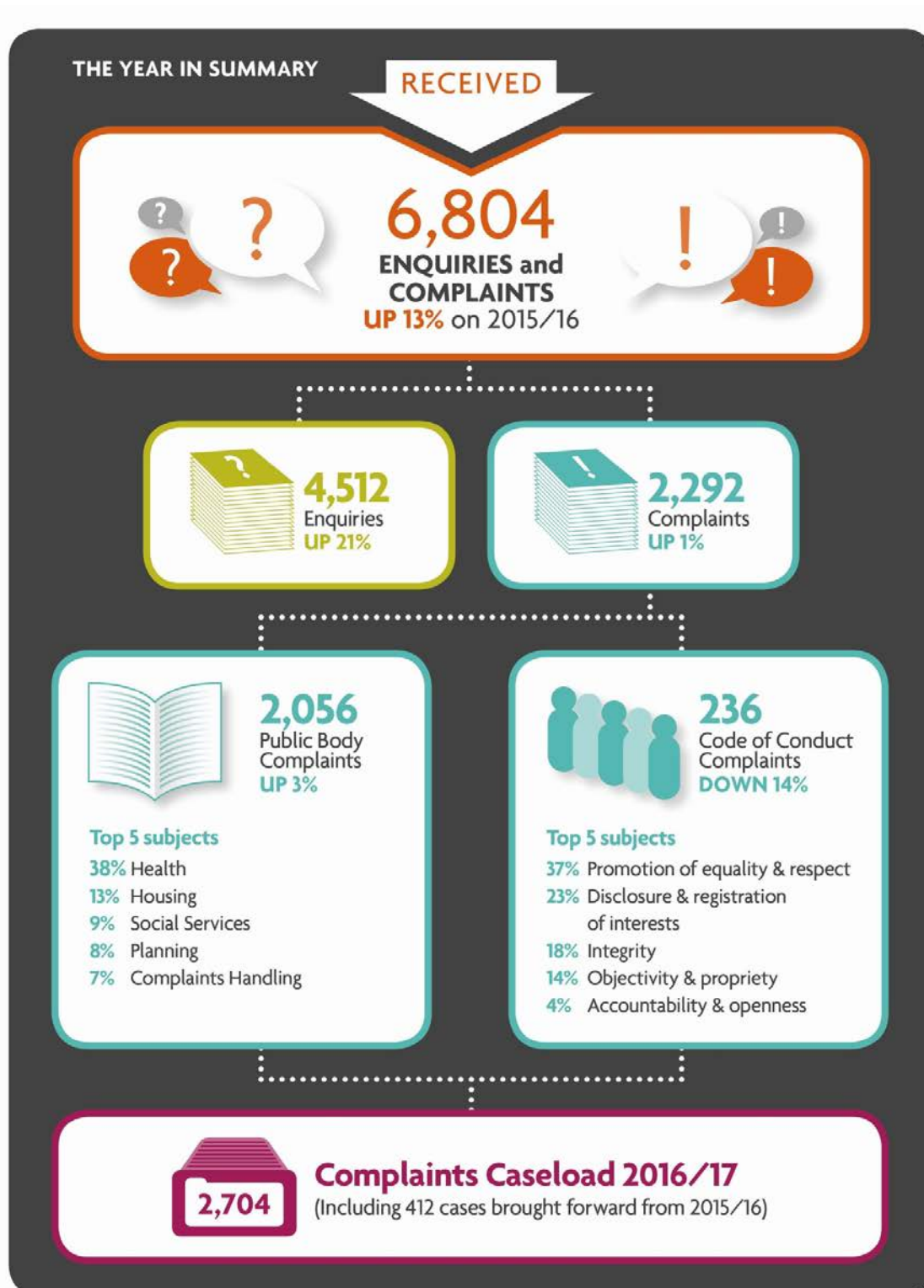
In engaging with these bodies we hope to see ongoing improvements in complaints handling, learning and putting things right, along with the governance arrangements necessary for continuous improvement. We will regularly review our data, and the insights we gain from these arrangements, to identify areas for improvements. I will in due course consider whether it would be beneficial to extend this approach to other bodies.

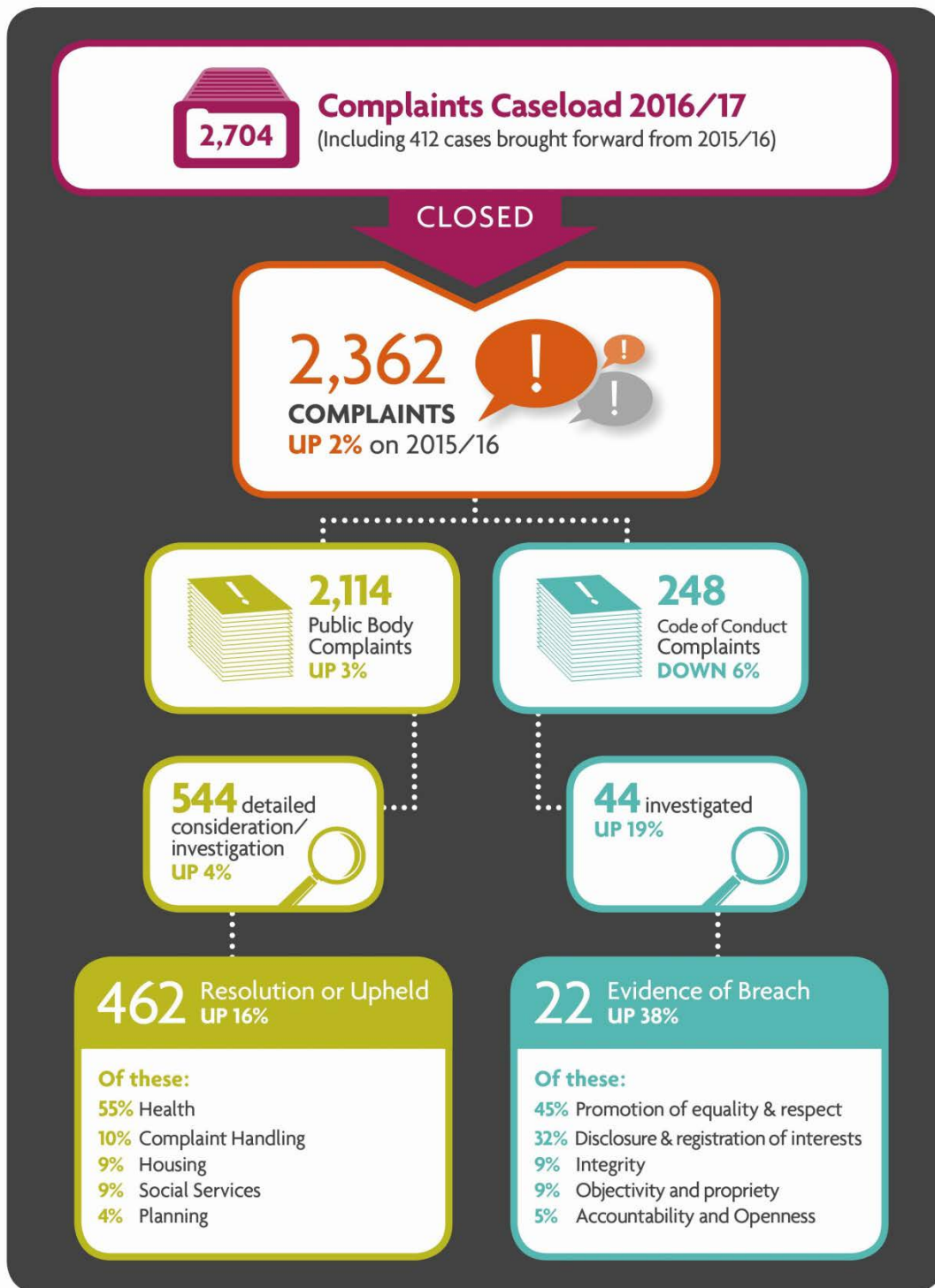
Subject leads are in place for:

- health
- housing
- local government planning services
- social services
- school appeals
- the code of conduct for local authority members
- our service provision on the Welsh language, and
- recommendations and compliance

Subject leads are specifically tasked with identifying trends from casework across the office, leading on thematic reports, and monitoring legislative and other developments affecting the subject areas.

The Complaints Service

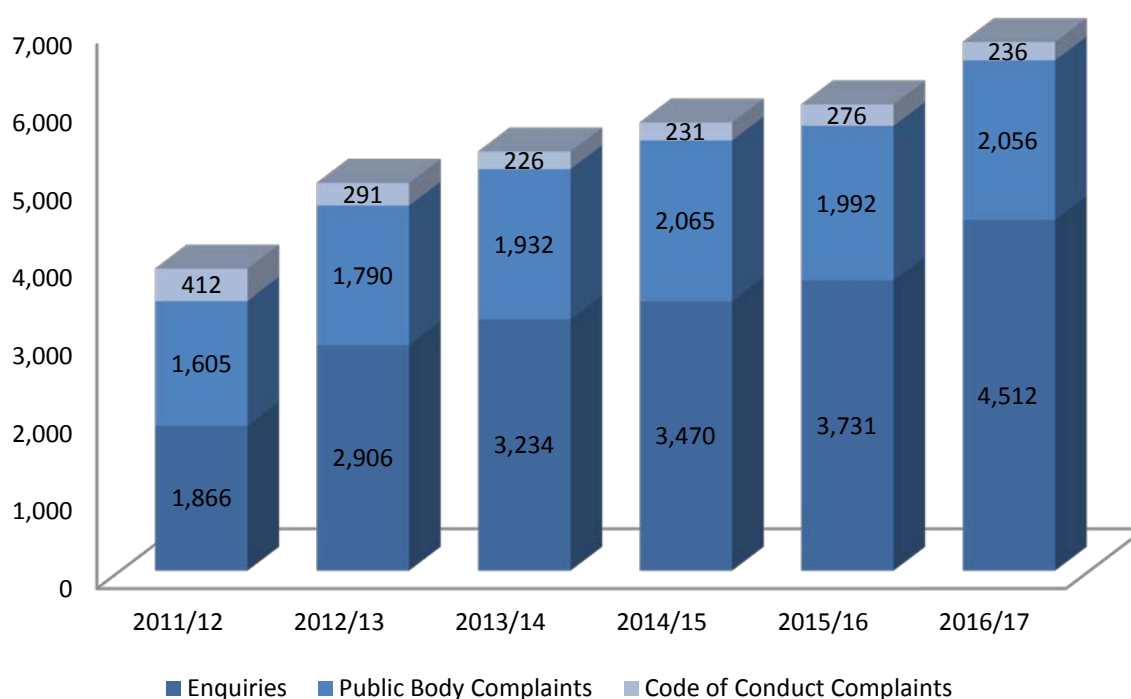




Overall Casework Statistics

The number of enquiries and complaints (public body complaints, and complaints about the conduct of members of local authorities) totalled 6804 during 2016/17 which is a 13% increase on the position for 2015/16. Over the past six years, overall casework has increased by 75%.

Total Enquiries and Complaints received by year



Enquiries

The office dealt with 4,512 enquiries during 2016/17 compared with 3,731 the previous year. This is a 21% increase. Despite this increase we have continued to maintain a fast and efficient service at the frontline.

We set ourselves the target of answering our main line reception calls within 30 seconds in 95% of cases. The Team performed impressively in this regard, answering 98% of calls within this timescale.

An enquiry is a contact made by a potential complainant asking about the service provided, which does not, result in a formal complaint being made to me at that time. At this point in our service we will advise people how to make a complaint to me or, where the matter is outside my jurisdiction, direct the enquirer to the appropriate organisation able to help them. Where appropriate, the Complaints Advice Team will also seek to resolve a problem at enquiry stage without taking the matter forward to the stage of a formal complaint.

Public Body Complaints

During 2016/17 we received 2,056 complaints about public sector providers – a 3% increase on the previous financial year. This brings public body complaints to a similar level as 2014/15 when my office received 2,065 complaints.

Sectoral breakdown of complaints received

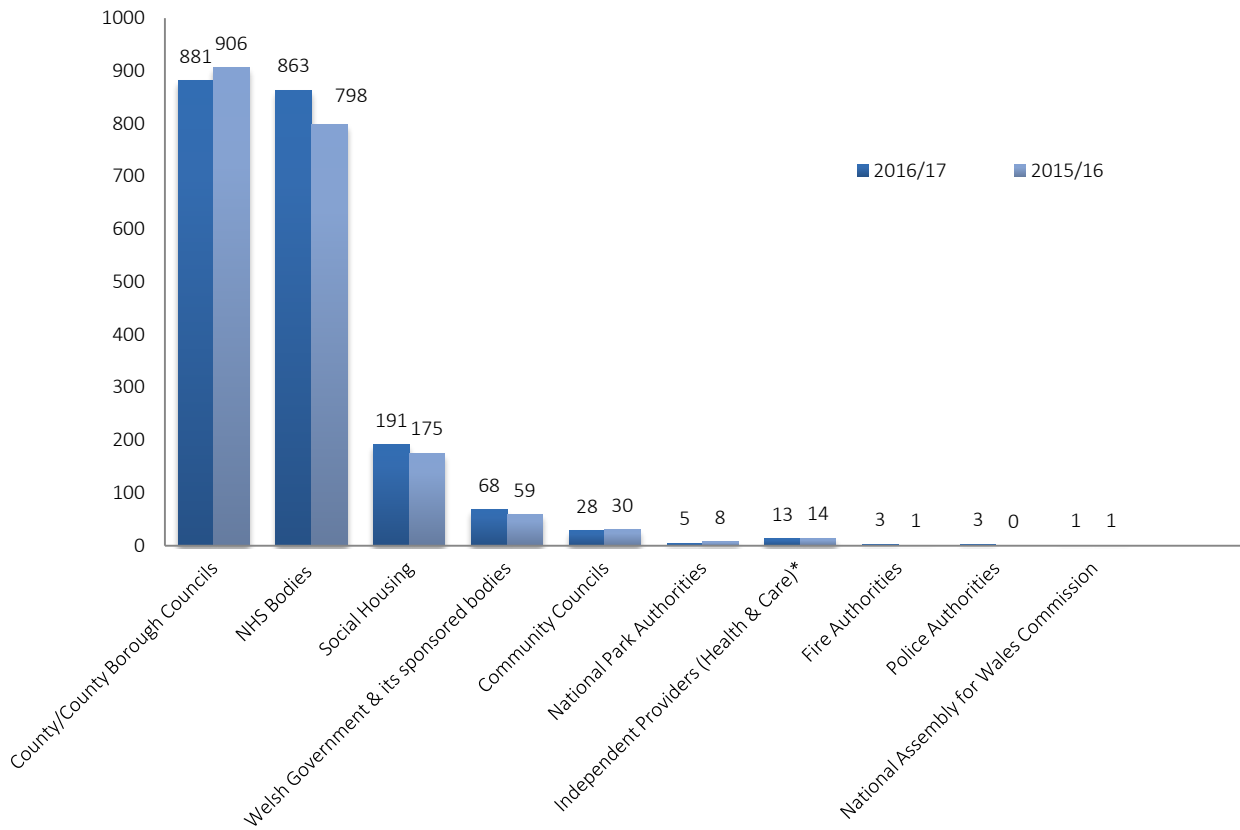
County councils have always generated the most complaints to this office due to the wide range of services they provide. However, for the second year running there has been a decrease in the number of complaints – down from 906 during 2015/16 to 881 in 2016/17.

Once again there has been an increase in complaints about NHS bodies. These include complaints about Local Health Boards, NHS trusts, GPs and dentists. There was a 8% increase in complaints about health bodies compared with 2015/16 (863 compared with 798)

Complaints about NHS Bodies have increased by 8% from 798 in 2015/16 to 863 in 2016/17. A large proportion of that increase is due to a rise in complaints **received** about Betsi Cadwaladr University Health Board of 23%.

The chart on page 16 shows the distribution of the complaints received by sector.

Complaints received by public body sector

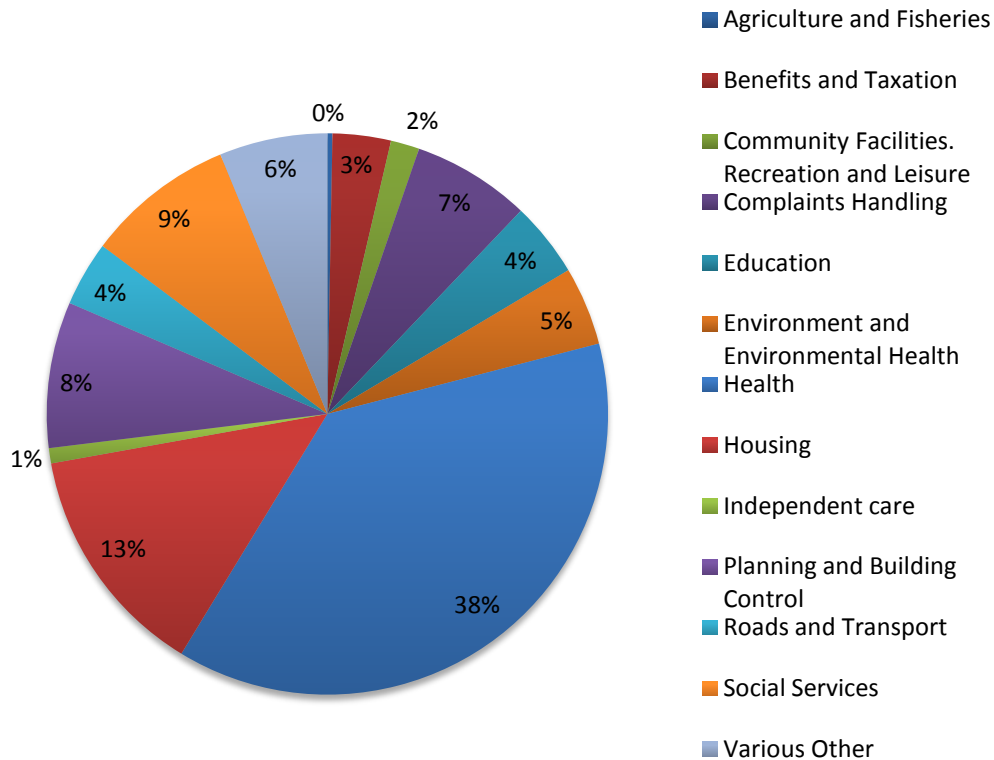


Complaints received about public bodies by subject

As consistent with previous years, health was the major part of our office caseload, up from 36% last year to 38% this year. This was followed by housing (13%) and planning and building control (8%). Social Services remained at a similar proportion as the previous financial year at 9%.



Complaints received about public bodies by subject



Outcomes of complaints considered

We closed 2,114 complaints about public service providers during the past year compared with 2,050 in 2015/16 (an increase of 3%). A summary of the outcomes is set out in the table below and detailed breakdowns of the outcomes by public service provider can be found at Annex A.

I am pleased that staff have managed to achieve this level of case closures during the year, together with the fact that the number of cases on hand at the end of 2016/17 stood at 345, compared with 412 at the end of 2015/16 (which is a reduction of 13%). This is well within what I consider to be a reasonable caseload for the office to have open at any one time.

| Complaint about a Public Body | 2016/17 | 2015/16 |
|--|-------------|-------------|
| Closed after initial consideration | 1570 | 1488 |
| Complaint withdrawn | 0 | 41 |
| Complaint settled voluntarily | 287 | 227 |
| Investigation discontinued | 16 | 19 |
| Investigation: complaint not upheld | 66 | 105 |
| Investigation: complaint upheld in whole or in part | 168 | 163 |
| Investigation: complaint upheld in whole or in part – public interest report | 6 | 7 |
| Investigation: complaint upheld in whole or in part – public interest report (S22) | 1 | 0 |
| Total Outcomes – Complaints | 2114 | 2050 |

Decision times

Time taken to tell the complainant if I will take up their complaint

We set ourselves a target to tell complainants whether or not I will take up their complaint. This year we introduced new key performance indicators. Previously there was a blanket four week target for all complaints, regardless of complexity. This has been changed to ensure the focus is on measuring against the service user's experience rather than the previous internal focus.

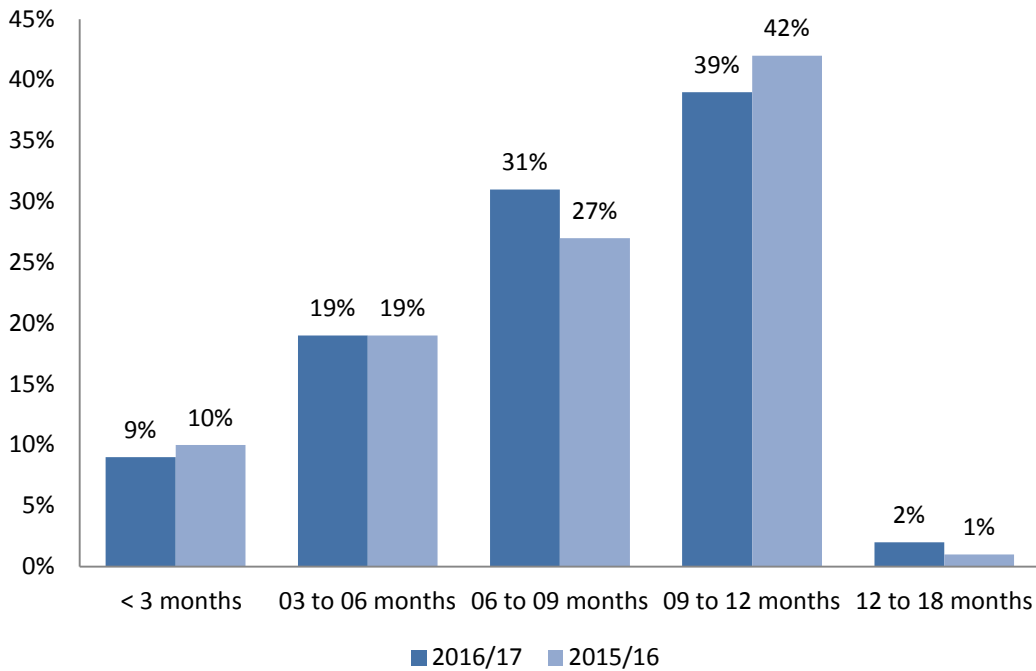
The new decision times are as follows:

- Decision on whether complaint within jurisdiction/premature - within 3 weeks.
- Decision on whether to investigate, following detailed assessment - within 6 weeks.
- Where decision to seek early resolution without need to investigate, resolution achieved - within 9 weeks.
- Date sufficient information received (DSIR) from complainant to investigation start date – within six weeks

| | Percentage 2016/17 |
|--|--------------------|
| Decision on whether complaint within jurisdiction/premature – within three weeks | 95% |
| Decision on whether or not to investigate, following detailed assessment - within six weeks. | 92% |
| Where decision to seek early resolution without need to investigate, resolution achieved – within nine weeks | 95% |
| DSIR to Investigation start date – within six weeks | 80% |

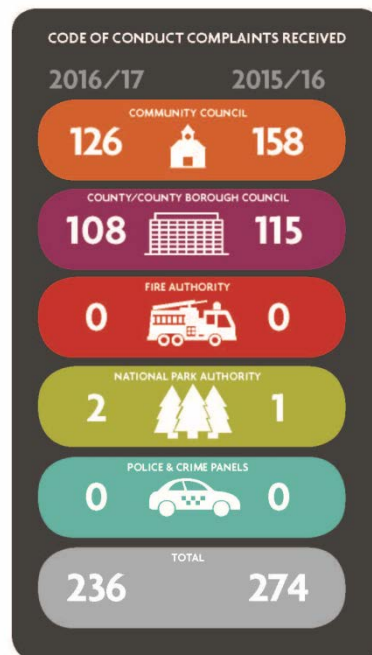
Investigation Decision Times

In 2016/17 we completed 98% of investigations within 12 months, against the 100% target we set ourselves. There were seven investigations that went over 12 months. These cases were complex and required further investigatory work, or where there were significant challenges to draft findings by the complainant or public body. The chart below gives further details on investigation timescales.



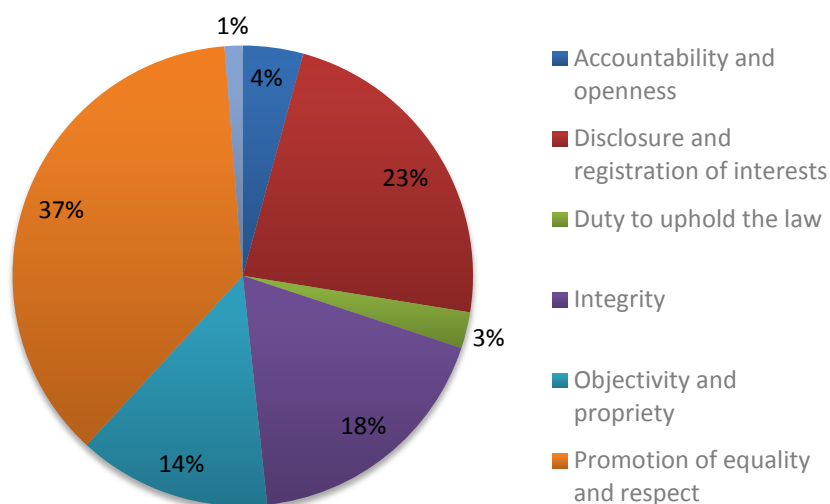
Code of Conduct Complaints

The number of code of conduct complaints decreased by 14% compared with 2015/16 (236 in 2016/17 against 274). This is encouraging considering historically, code of conduct complaints increase in the period before local elections.



Nature of Code of Conduct complaints received

The majority of complaints received during 2016/17 related to matters of ‘promotion of equality and respect’ accounting for 37% of the complaints made to me. (this was 41% in 2015/16). Disclosure and registration of interests (23%) and Integrity (18%) were the next largest areas of complaint which is consistent with the previous year.



Summary of Code of Conduct complaint outcomes

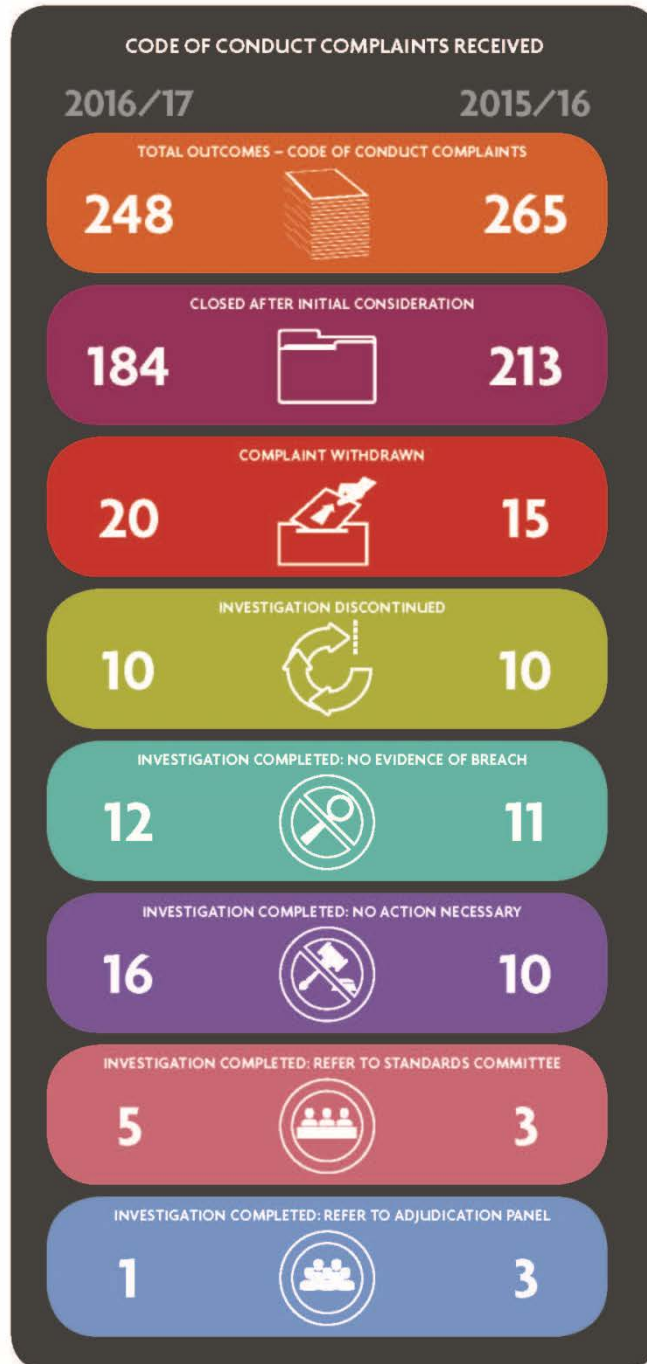
Of the 248 Code of Conduct complaints closed in 2016/17, the majority (184) were closed under the category ‘Closed after initial consideration.’

This includes decisions such as

- there was no ‘prima facie’ evidence of a breach of the Code
- the alleged breach was insufficiently serious to warrant an investigation (and unlikely to attract a sanction)

With regard to code of conduct closed cases, a greater number were fully investigated this year (34) compared to 2015/16 (27). Six cases were referred either to local authority’s standards committee or to the Adjudication Panel for Wales in 2016/17, the same number as the previous year. In these circumstances it is for these bodies to consider the evidence found, together with any defence put forward by the member concerned. It is then for them to determine whether a breach has occurred and, if so, what penalty, if any, should be imposed.

A breakdown of the outcomes is below:



A detailed breakdown of the outcome of Code of Conduct complaints investigated, by authority, during 2016/17 is set out in the Annex.

Decision times

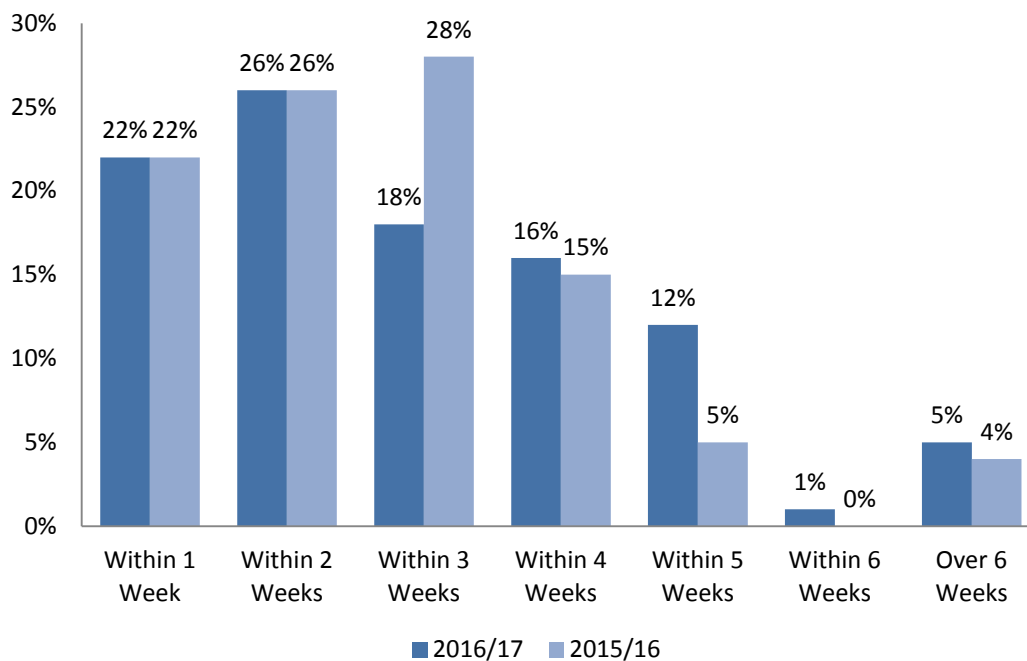
Time taken to tell the complainant if I will take up their complaint

In respect of Code of Conduct complaints, 82% of complainants were informed within four weeks of whether I would take up their complaint (from the date that sufficient information is received). This is considerably lower than during 2015/16 where 91% were informed within four weeks.

However, this is partially explained by the fact that a greater number of complaints this year reached investigation. I consider that it is fairer for us to take into consideration what a member has to say before taking a decision and this process can take some time. This is because the commencement of a formal investigation against a member is a stressful and serious matter for the member being complained about.

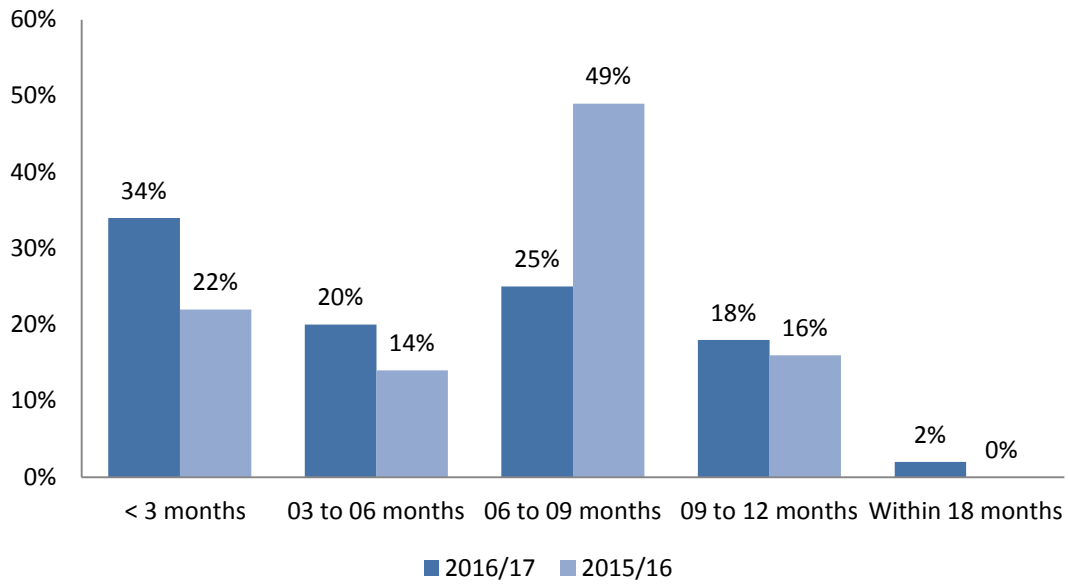
Further details on these decision timescales are shown below.

Code of Conduct time taken to tell the complainant if I will take up their complaint



Decision times for concluding Code of Conduct investigations

Comparing performance against 2015/16, a greater percentage of investigations were closed within three months (34% compared to 22% in 2015/16.)



Cases of Note

During 2016/17, I produced seven public interest reports, including one special report (see below).

All but one of the investigations were health related and worryingly, three of the cases were against the same hospital – Ysbyty Glan Clwyd run by Betsi Cadwaladr University Health Board.

The six health cases included:

- A patient with a history of chronic renal failure who waited 12 hours to see a consultant, and died a few hours later.
- A cancer patient who was left waiting 132 days to receive his first treatment.
- A patient at a South Wales hospital that died following a complete lack of medical staff involvement in his care over a weekend.

I am pleased that in all health cases, apologies were made to the families affected by shortcomings and recommendations were agreed to ensure the same mistakes are not repeated, although this will only ever provide some comfort to the families affected.

Another high profile investigation surrounded the monitoring of a looked-after child's savings accounts by Bridgend County Borough Council while he was in their care. While public interest reports from my office are anonymised, in this case, the complainant wished to speak to the media publicly.



Rob Johnson, 18, complained to my office that the Council had not managed his savings properly and in accordance with its policy. He said that some of his savings were wrongly used to pay for trips for which he should have received a special allowance.

My investigation found that the Council had failed to keep adequate records or retain Mr Johnson's saving books at the end of his fostering placement and it was unclear why his savings were as low as they were. These failings, amongst others, amounted to maladministration and my office calculated a figure for appropriate recompense for his savings.

Initially Bridgend Council refused to pay the amount but at a later date did make the £3,310 payment in full.

Mr Johnson said he was "over the moon" with the outcome, adding:

"It just shows that making a complaint does make a difference."

All our public interest reports are publicly accessible and can be found [here](#).

I am pleased to say in all of the code of conduct cases my office has referred to either local Standards Committees or the Adjudication Panel for Wales, the member has been found to have breached the code when the matter has been heard. This vindicates my decisions to investigate the complaints and refer them.

Thematic Reports

March 2017 saw the publication of the second thematic report in 12 months. 'Ending Groundhog Day: Lessons from Poor Complaint Handling' comprises 18 cases from public services across Wales where the service user had been let down by inadequate investigations and a failure to take ownership of complaints.

Failings highlighted include the inappropriate involvement in the investigation of staff complained about, as well as delayed and inaccurate responses.

My report calls for an end to the fear and blame culture that exists in some public bodies, and a move towards seeing complaints as learning tools. I also identified improved data collection as a means of identifying patterns of poor complaint handling and tackling bad practice.

If the new Ombudsman legislation is passed this year, it will allow the gathering and reporting of consistent complaint data across Welsh public services.

Special Report

Last year, a special report, under Section 22 of the Act, was issued against Hywel Dda University Health Board – the first time for a Health Board.

Under the provisions of the Public Services Ombudsman (Wales) Act 2005, pursuant to section 3, the Ombudsman is able to take any action he considers appropriate to resolve a complaint as an alternative to investigating it. This can include agreeing with a relevant body that it will take certain actions within a stipulated time. Where the Ombudsman is not satisfied that the relevant body has carried out the actions it explicitly agreed to undertake within the time specified he may issue a special report under s22(6) of the Act.

Annual Sustainability Report

The Public Services Ombudsman for Wales and his staff aim to reduce the impact of the office on the environment and operate in a sustainable and responsible manner.

Our Building

We have one office in Pencoed, near Bridgend. We originally took up the lease for the ground floor in 2005 and have, since then, expanded to occupy part of the first and second floors to accommodate 58 staff and visitors in a largely open plan office space.

Electricity is the only energy supply used and this provides lighting and heating/cooling as well as powering normal office equipment. The building is leased, which limits our ability to make changes to the energy efficiency of the building. Consequently our efforts focus on reducing material usage and waste.

Building Statistics

| Building | Constructed | No. of Floors | Total Usable Floor Area (ft ²) | Heating Type | Electricity usage (Annual Av. kWh) |
|---------------------|-------------|---------------|--|--------------------|------------------------------------|
| 1 Ffordd yr Hen Gae | 2004 | 3 | 16,460 | Air Handling Units | 102,577 |

Accessibility

The offices have good transport links. The railway station at Pencoed (less than one mile away) together with bus services to/from the site, provide public transport options for staff and visitors. Our offices are also easily accessed by car from the M4 motorway.

Progress

Staff are encouraged to use public transport where suitable, for business meetings and commuting. Showers and bicycle stands are provided at our offices.

Local suppliers are used where possible to help reduce carbon emissions.

In April 2016 the Public Services Ombudsman for Wales took its first steps to becoming a paperless office. A year on substantial progress has been made. So far:

- Our electronic case records are now the definitive case record, even where paper files exist
- Enquiries and initial assessment stages of our work are conducted using electronic documents only (emails, submissions via the internet and scanned documents)
- Letterhead details have been incorporated into electronic documents so that we do not need to print onto letterhead paper.
- Where possible we email rather than send correspondence by post.
- Staff have been provided with enhanced software to make it easier to work with electronic documents
- Bodies within the Ombudsman’s jurisdiction are asked for contact to be made electronically where possible.

Following these changes throughout 2017/18 the PSOW should expect to see a reduction in the amount of paper used and paper waste produced.

Waste

We recycle all waste paper confidentially and recycle general waste such as plastic, cardboard and tins along with batteries and toner cartridges. We are continuing to remind staff to minimise waste, particularly that sent to landfill.

We produce little food waste, but used coffee grounds and tea bags are offered to staff for use in compost.

Current Waste Figures

| | Per week (average) | Per year (average) |
|--------------------------------------|--------------------|-----------------------|
| Confidential Waste | 600 litres | 31200 litres |
| Mixed Recycling | 300 litres | 15600 litres |
| General Waste (including food waste) | 1100 litres | 57200 litres |
| Total waste per year | | 104,000 litres |

We will be working to reduce waste in 2017/18.

Annual Equality Report

Under the Equality Act 2010 and the Equality Act 2010 (Statutory Duties) (Wales) Regulations 2011 laid down by the National Assembly for Wales, the Ombudsman is required to produce an annual report in respect of equality matters. I do so here as part of my overall Annual Report and Accounts for 2016/17.

Accessibility

As part of our complaint process, we do our very best to identify as early as possible any individual requirements that may need to be met so that a service user can fully access our services and, in particular, we ask people to tell us their preferred method of communication with us.

We continue to develop strong links with third sector organisations which support our service-users, using their expertise to advise on how we can make our services more accessible.

Where we can we make reasonable adjustments to help people make and present their complaint to us. Well established examples are: providing correspondence in Easy Read, a dedicated pool of Welsh language speakers to deal with enquiries from the public in Welsh, and the use of Language Line for interpretation where a complainant is not comfortable with making their complaint in English or Welsh, obtaining expertise to assist us to understand the particular requirements of complainants with certain conditions, such as Asperger's syndrome, and visiting complainants at their homes.

We produce key documents in alternative formats, such as CD/tape and Braille, and translate these into the eight key ethnic minority languages used in Wales. Our website has continually been upgraded, and now features an enhanced BrowseAloud service. Additionally, the GoogleTranslate service has been embedded meaning that the PSOW website content pages are automatically translated into any one of over 100 languages on selection, and the BSL video and SignVideo service.

The Complaints Advice Team also continues to provide information on advocacy and advice organisations to those people who may need assistance in making their complaint to me. This information is also readily available on our website.

Equality Data Gathering / Monitoring – Service Users

We continued with our equality monitoring in respect of service users, which informs our annual outreach strategy. The outcome of the monitoring during 2016/17 in respect of the protected characteristic groups (as defined in the Equality Act) is set out below.

In view of the nature of the work of this office, we would expect the composition of people who complain to this office to, at the very least, mirror the national demographic position; in fact, we would expect the proportion of complainants from groups who could be considered to be at a disadvantage or vulnerable to exceed the national picture. In respect of each of the questions we asked, those who completed the form were given the opportunity to respond 'Prefer not to say'. Nevertheless, from the results below, the PSOW is relatively satisfied that in making comparisons with official data available (e.g. the Census 2011) the composition of our service users meets or exceeds national demographics in the way we would expect.

It is particularly good to see that of those who responded, 5% identified themselves as having a minority ethnic background, which is slightly higher than the demographic picture in Wales.

| Protected characteristic group | Percentage Outcome |
|---|--------------------|
| Age | |
| Under 25 | 3% |
| 25-34 | 12% |
| 35-44 | 20% |
| 45-54 | 23% |
| 55-64 | 20% |
| 65-74 | 11% |
| 75 or over | 5% |
| Prefer not to say / No response | 6% |
| Disability | |
| Yes | 25% |
| No | 65% |
| Prefer not to say/No response | 10% |
| Health problem or disability limiting day-to-day activities? | |
| Yes, limited a lot | 25% |
| Yes, limited a little | 12% |
| No | 51% |
| Prefer not to say/No response | 12% |
| Gender reassignment | |
| Yes | 1% |
| No | 61% |
| Prefer not to say/No response | 38% |
| Religion or belief | |
| No religion | 38% |
| Christian (all denominations) | 49% |
| Other religions | 6% |
| Prefer not to say/No response | 7% |
| Married or same-sex civil partnership | |
| Yes | 49% |
| No | 40% |
| Prefer not to say/No response | 11% |

| | |
|--------------------------------|-------|
| Race/Ethnicity | |
| White | 88% |
| Other ethnic background | 5% |
| Prefer not to say/No response | 6.7% |
| Sex | |
| Male | 48% |
| Female | 46% |
| Prefer not to say/ No response | 6% |
| Sexual orientation | |
| Heterosexual or straight | 83% |
| Gay or Lesbian | 2% |
| Bisexual | 1% |
| Other | 0.5% |
| Prefer not to say/No response | 13.5% |

Customer Satisfaction

We have continued with our satisfaction survey practice in relation to customer satisfaction for our first contact service. The table below gives details for 2016/17.

| | % of respondents answering either 'strongly agree' or 'agree' |
|--|---|
| It was easy to find out how to contact the Public Services Ombudsman for Wales | 93% |
| The service I have received has been helpful and sensitive | 88% |
| Staff were able to understand my query / complaint | 90% |
| I was given a clear explanation of what would happen to my query / complaint | 91% |

Complaints about the PSOW service can be found in Annex C.

Outreach

For 2016/17 we focused on children and young people in our outreach work. This included liaising with colleagues at Children in Wales and the Children's Commissioner for Wales to produce a 'how to complain' leaflet aimed at children, as well as committing to exhibiting at the Urdd Eisteddfod for the first time.

In order to learn from our colleagues in the third sector, we established a Sounding Board comprising members of voluntary and advocacy organisations which support our service-users. We wanted to listen to their feedback on our processes and service. We have held two meetings of the board so far which have been a great success. As a result we established a similar board for the health sector and are currently developing the membership for a third, local government Sounding Board.

We also actively engaged with a range of third sector bodies including the British Deaf Association, Stonewall, Care Forum Wales and various housing associations, as well as hosting a stand at the Welsh Council for Voluntary Action's annual conference.

Staff Equality Data Gathering/Monitoring

Our staff are asked annually to complete and return a monitoring form seeking information in respect of each of the protected characteristics That disclosure is, of course, on a voluntary basis. Most recent responses are set out below.

| | |
|---------------------|--|
| Age | The composition of staff ages is as follows: 25 to 34: 21% 35 to 44: 33% 45 to 54: 23% 55 to 64: 12% Prefer not to say 12% |
| Gender | 63 % of staff stated they were Female; 31% Male; 6% prefer not to say. When asked if the gender staff identify with was the same as described at birth, 90% said yes, 2% said no, and 8% prefer not to say. |
| Disability | 87% of staff said there were not disabled, 2% of staff said that they were a disabled person (11% preferred not to say). However, when asked if their day-to-day activities were limited because of a health problem or disability which had lasted, or was expected to last, at least 12 months, 0% said that they were limited a lot, 8% said they were limited a little, 81% said their day to day activities were not limited (12% preferred not to say) |
| Nationality | In describing their nationality, 52 % said they were Welsh; 25% said British, 12 % said they were English, 6% said 'Other' (6% preferred not to say) |
| Ethnic group | The ethnicity of staff is: 88% White (Welsh, English, Scottish, Northern Irish, British); 2% White/Irish 2% Black (African, Caribbean, or Black British/Caribbean 2% Asian or Asian British/Bangladeshi (6% preferred not to say) |
| Language | When asked about the main language of their household, 69% of staff said this was English; 16% said Welsh, and 4% said 'Other' (10% preferred not to say) |

| | |
|-----------------------------------|---|
| Religion or Belief | Responses to the question asking staff about their religion were as follows: No religion: 43%; Christian 36%; Muslim 2%; Other:2% (17% preferred not to say) |
| Marriage/Civil Partnership | 53% of staff stated they were married; 2% were in a civil partnership; 20% were single; 4% replied Other (21% preferred not to say) |
| Sexual Orientation | Responding on this, 81% said that they were Heterosexual or Straight, 2% said Gay or Lesbian (17% preferred not to say) |

Total percentages may not add up to 100% due to rounding'

Staff Training

The majority of staff training is based upon job roles or applicable for all staff to attend, and as such there are no equality considerations to report. All individually requested training by staff has been approved, and as such there is no need to report on equality data differences between approved and non-approved training requests.

Pay and Gender – data as at 31 March 2017

Under the specific duties we are required to set an equality objective for gender and pay; if we do not do so, we must explain why. I currently do not have any specific objective in this regard because females are very well represented at the higher pay scales within my office. The position is kept under continual review and the equality objectives will be revised if necessary. The table below shows the current position.

| Pay (FTE) | Male* | Female* |
|--------------------|-----------|-----------|
| Up to £20,000 | 0 | 4 |
| £20,001 to £30,000 | 2 | 13 |
| £30,001 to £40,000 | 2 | 5 |
| £40,001 to £50,000 | 7 | 16 |
| £50,001 to £60,000 | 4 | 3 |
| £60,001 + | 1 | 1 |
| Subtotal | 16 | 42 |
| Total | 58 | |

*Headcount

In relation to the working patterns of the above, all staff work on a full time basis with permanent contracts, with the exception of the following:

8 members of staff work part time (6 female, 2 male).

Recruitment

During the past year we have had 1 members of staff leave and 3 new employees were recruited. Due to the low numbers involved, the equality data for the individuals appointed has been reported as part of the all staff information above; it is not considered appropriate to report separate equality information relating to these individuals due to the risk of identification.

Two new members of staff were recruited via the 'Jobcentre Universal Job Match' scheme, and consequently, apart from their data being included in the above figures, we do not have any further equality data relating to other members of the Jobcentre scheme who were not presented to the PSOW for selection.

Disciplinary / Grievance

Due to the small numbers of staff working in the office, and the small number of instances of disciplinary / grievance, it is not considered appropriate to report on equality data for this category due to the risk of identification of staff involved. I remain satisfied that there are no identifiable issues in this area that would cause me concern.

Procurement

Our procurement policy now refers to the relevant equality requirements that we expect our suppliers to have in place.

Key Financial Data

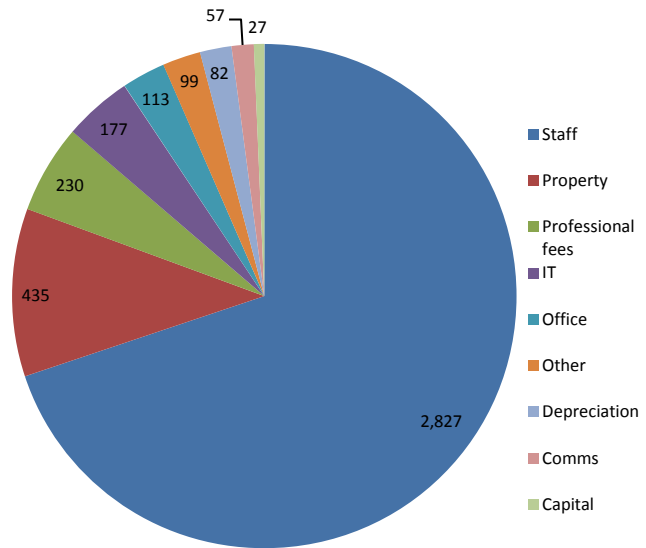
| | | | |
|-----------------------|---------|--------------------|-------|
| Resource Funding: | £4,090k | Total Assets: | £395k |
| Resource Expenditure: | £4,047k | Total Liabilities: | £749k |
| Cash to be Repaid: | £34k | Net Liabilities: | £354k |

Resource Expenditure £000s (pages 72-73)

PSOW’s funding comes from the Welsh Consolidated Fund (WCF). Each year the estimated costs of running the Office have to be submitted to the Finance Committee of the National Assembly for Wales for consideration. When agreed, funds are drawn down monthly with any surpluses returned to the WCF during the following Financial Year.

Resource expenditure was £4,047k compared to funding of £4,090k. The under-spend was mostly attributable to changes in provisions and working capital.

A cash under spend of £34k will be returned to the WCF in 2017/18 as well as £5k income in excess of budget allocation.



Assets and Liabilities £000s (pages 75-78, plus Pensions Disclosures pages 82-91)

Non-current assets consist of plant and equipment £140k, intangibles such as software £18k and pension fund surplus of £40k.

Current assets consist of receivables £163k and cash £34k.

Liabilities are accounted for by payables (£205k) and provisions for pensions and dilapidations (£544k).

There is a net liability of (£354k).



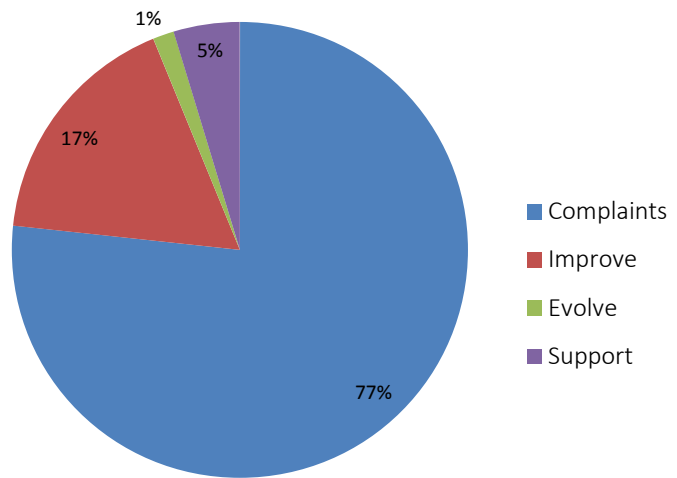
Expenditure by Aims and Objectives (page 74)

Aim 1: To provide a complaints service that is of the highest quality, proportionate and effective.

Aim 2: To use the knowledge and insight obtained from the complaints we consider to improve complaint handling by public services providers and to have an impact on improving public service delivery and informing public policy.

Aim 3: To continue to evolve and grow as an office, specifically planning for implementation of the Ombudsman’s new powers should the National Assembly for Wales create a new Public Services Ombudsman (Wales) Act.

Aim 4: To be accountable for the service we provide and the public money we spend.

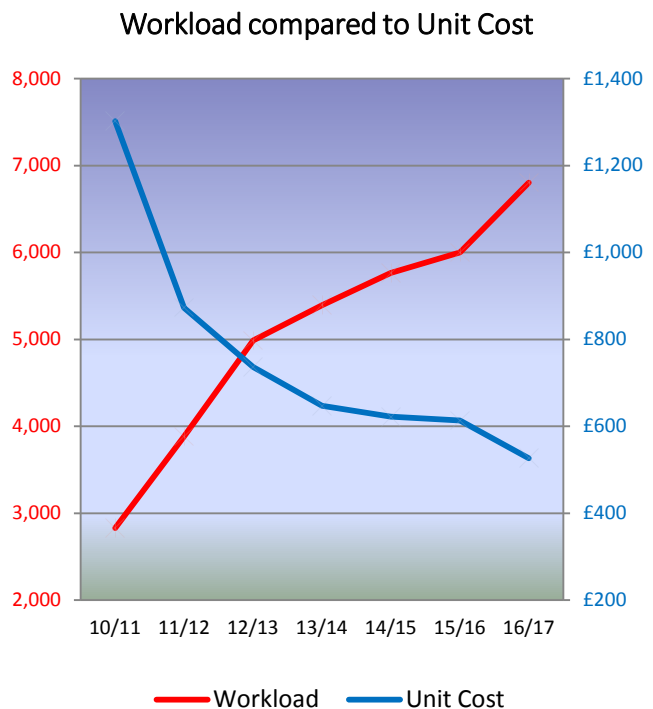


Trend (page 39)

Over the period 2010/11 to 2017/18 workload increased by over 140% whilst the unit cost reduced by 60%.

| | |
|-----------------|-------|
| Enquiries | +300% |
| Complaints: | |
| Code of Conduct | -15% |
| Public Body | +44% |

Over the same period resource expenditure decreased from £3.7m to £3.6m when adjusted for inflation – a reduction of 3%.



Nick Bennett
Accounting Officer

12 July 2017



**Accountability
Report**

Corporate Governance Report

Ombudsman's Report

Background

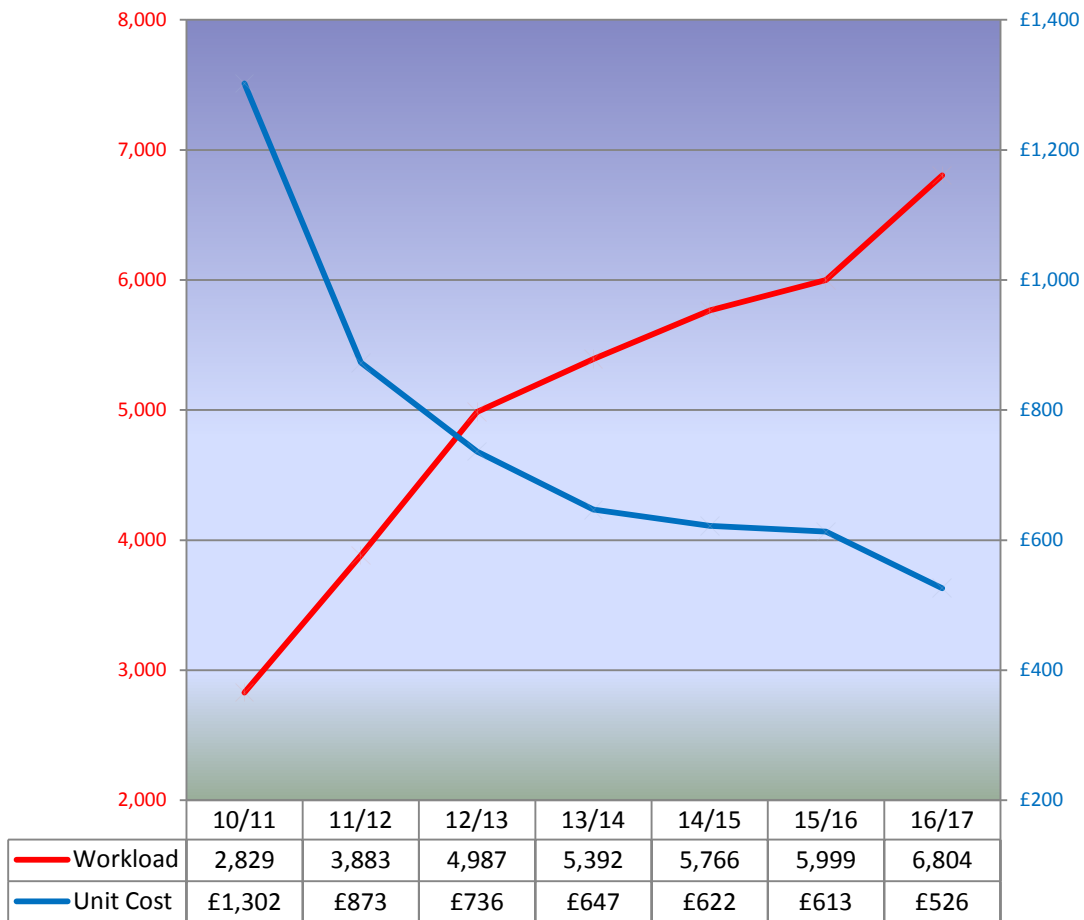
Under the Government of Wales Act 2006 the office is financed through the Welsh Consolidated Fund (WCF). Any unspent cash balances have to be repaid into the WCF no later than four weeks after a certified copy of the accounts has been laid before the National Assembly for Wales. This creates a further 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 National Assembly for Wales.

As at 31 March 2017, the Office comprised 58 staff based in Pencoed, Bridgend including the Ombudsman, Chief Operating Officer, Assistant Director/Legal Adviser as well as investigation and support staff.

The National Assembly for Wales provided cash of £4.3 million for the funding of the Office although £34k of this is due to be returned to the WCF being the unused cash balance at the year end. The sum of £34k is within the accepted year-end balance criteria of 3% funding. The Office has achieved a level of spending in line with changes in the overall level of the Welsh block which is especially noteworthy considering the upward demand for the services of the Office.

Great strides have been made over recent years in improving efficiency in the way we consider complaints. This has been essential in view of the ever-increasing caseload. The table below shows that over the past seven years, the Office has seen an increase of over 140% in all contacts (that is, in enquiries, public body complaints and complaints about the conduct of members of local authorities) whilst unit costs have reduced by 60% when adjusted for CPI inflation. The past year has seen yet another increase in enquiries and complaints of 13%. Despite this, we have still managed to exceed the majority of our performance targets. We continued with our information technology upgrade programme with a view to getting new technology to take some of the strain of the administrative tasks associated with complaint handling.

Workload compared to Unit Cost



Remuneration

Details of the pay and related costs of the Ombudsman and the Office are shown in the Remuneration Report on page 54.

Pension Liabilities

The pension obligations to present and past employees are discharged through:

- (a) the Principal Civil Service Pension Scheme (PCSPS);
- (b) the Local Government Pension Scheme administered through the Cardiff and Vale of Glamorgan Pension Scheme (the Fund); and
- (c) the pensions paid directly to former Commissioners or their dependants.

Further details are given in the Pensions Disclosures at page 82.

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 by the Treasury as the Accounting Officer for the public funds with which the National Assembly entrusts me to undertake my functions. The Advisory Panel, established during 2011/12, has continued to meet on a regular basis over the past year. A review of its effectiveness conducted during 2015/16 concluded that the Panel added the additional scrutiny and support sought by the Ombudsman. 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 and 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 2017 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 2016/17.

The accounts have been prepared so as to:

- (a) give a true and fair view of the state of affairs at 31 March 2017 and of the net resource outturn, resources applied to objectives, recognised gains and losses and cash flows for the financial year then ended; and
- (b) provide disclosure of any material expenditure or income that has not been applied for the purposes intended by the National Assembly for Wales 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 17 of Schedule 1 to the Public Services Ombudsman (Wales) Act 2005. The cost of the audit for 2016/17 was £20k compared with £20k in 2015/16.

So 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

12 July 2017

Statement of Accounting Officer's Responsibilities

Under the Public Services Ombudsman (Wales) Act 2005 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 Office during the year in the form of and on the basis set out in the Accounts Direction. 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 outturn, resources applied to objectives, changes in tax payer's equity 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 HM 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 financial statements; and
- prepare the financial statements on a going concern basis.

My relevant responsibilities as Accounting Officer include responsibility for the propriety and regularity of the public finances for the PSOW, keeping proper records and safeguarding the Office's assets as set out in the Accounting Officer's memorandum issued by HM Treasury that is published in "Managing Welsh Public Money", and are in accordance with the Public Services Ombudsman (Wales) Act 2005.

Annual Governance Statement 2016/17

Status of the Public Services Ombudsman for Wales

As laid down in Schedule 1 paragraph 2 of the Public Services Ombudsman (Wales) Act 2005 (the Act), the Ombudsman is a Corporation Sole holding office under Her Majesty and discharges his function on behalf of the Crown. Schedule 1 paragraph 18 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 the 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 National Assembly for Wales 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 National Assembly for Wales in accordance with the process laid down in the Act. My annual report is considered by the Equality, Local Government and Communities Committee. For the first time I am producing a combined Annual Report and Accounts for consideration by both Committees.

I am required to include this 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. 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 scope and robust financial management, risk planning and monitoring procedures.

Strategic Planning and Performance Monitoring

In considering the Strategic Plan for the next three years, 2016/17 to 2018/19, I have established the following:

Vision: A public service culture that values complaints and learns from them to improve public service delivery, and a

Mission: by considering complaints, to put things right for service users and contribute to improved public service delivery and standards in public life.

Whilst individual teams within the Office are charged with implementing the actions identified, the Management Team and the Advisory Panel monitor progress made against targets and the outcomes achieved via quarterly reports. I was very pleased that all key activities for 2016/17 had been delivered by the end of the financial year.

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. The system of internal control 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 of internal control has been in place in the Office of the PSOW for the year ended 31 March 2017 and up to the date of approval of these accounts, and accords with HM Treasury guidance. 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 and Risk Assurance Committee.

Corporate Governance arrangements

Governance arrangements include an Advisory Panel of external advisers supplemented by an Audit and Risk Assurance Committee which is a sub-committee of the Panel. The respective responsibilities are:

Advisory Panel

(a) Role of the Panel

The Advisory Panel is a non-statutory forum whose main role is to provide support and advice to the Ombudsman in providing leadership and good governance of the office of the PSOW. The Advisory Panel also brings an external perspective to assist in the development of policy and practice.

The Advisory Panel provides specific advice and support to the Ombudsman on:

- vision, values and purposes
- strategic direction and planning
- accountability to citizens for the public funds it receives and
- internal control and risk management arrangements

The Advisory Panel is an advisory only body to the Ombudsman, and does not make decisions in its own right.

The Panel also assists the Ombudsman in establishing:

- governance arrangements, including Terms of Reference of any sub-committees
- the PSOW's strategic direction, aims and objectives and targets
- key business policies
- key employment strategies and policies

and scrutinising and assuring:

- the Three Year Strategic Plan and the Annual Business Plan
- high level budget allocation
- the budget Estimates submission to the Finance Committee of the National Assembly for Wales
- resource accounts (delegated to the Audit and Risk Assurance Committee); and
- capital investment/contracts (over £250k) (delegated to the Audit and Risk Assurance Committee).

It also monitors and reviews:

- risk and internal control (delegated to the Audit and Risk Assurance Committee)
- operational performance and delivery
- financial performance

- effectiveness of employment strategies and policies
- diversity and equal opportunities, particularly in relation to the Equality Act 2010
- external communications strategies and stakeholder relations and
- health and safety and business continuity.

Four meetings were held in July, September and December 2016 and March 2017.

(b) Membership

Membership comprises:

- the Ombudsman
- up to six external members (who offer specific skills and experience sought by the Ombudsman and one of whom may be from another ombudsman office).

The Policy and Communications Manager acted as Secretary to the Panel; other Management Team members as decided by the Ombudsman may be in attendance at the Panel's meetings but are not formally members of the PSOW Advisory Panel.

Attendance during 2016/17 was as follows:

| Membership: | |
|------------------------------------|---|
| Nick Bennett – Ombudsman and Chair | 3 |
| Margaret Griffiths | 3 |
| Jonathan Morgan | 1 |
| William Richardson | 4 |
| Sharon Warnes | 4 |
| Jan Williams | 3 |
| John Williams | 4 |

Audit and Risk Assurance Committee

(a) Terms of Reference

The Advisory Panel is responsible for agreeing the Terms of Reference of the Audit and Risk Assurance Committee. The Audit and Risk Assurance Committee supports the Ombudsman 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

The independence of the Committee continues to be enhanced. It is chaired by William Richardson who, as the former Deputy Chief Executive at the office of the Parliamentary and Health Service Ombudsman, brings considerable experience of operating governance, financial and administrative systems within the context of an ombudsman scheme. Jonathan Morgan, who served as an Assembly Member for 12 years, and is a former Chair of the National Assembly Public Accounts Committee, became the newest member of both the Advisory Panel and the Audit and Risk Assurance Committee in March 2016. The Ombudsman is no longer a Member of the Committee, although he does attend and contribute to the meetings.

(c) Training

Members of the Committee are invited to assess their training needs annually. During the past year, to supplement the previous year's induction programme for Advisory Panel and Audit and Risk Assurance Committee members, additional training in relation to the work of the Ombudsman's office has taken place. This has taken the form of a presentation/discussion at the end of each Advisory Panel meeting. Arrangements were also made for Sharon Warnes and Jonathan Morgan to attend CIPFA's Effective Audit Committee course during 2016/17. Unfortunately, CIPFA cancelled the scheduled course. This will be re-booked when the course is next run by CIPFA.

(d) Meetings

The Committee sets for itself an annual work programme. There were four meetings of the Committee during the year. At each meeting the Committee received a number of standing agenda items. One of these covered Risk Management and included details of new risks and any changes to the existing Risk Register (e.g. movement in the level of risk). When the annual Internal Audit Plan is considered the full risk register is made available to the Committee to ensure that the plan being proposed reflects the priorities within the register. At other meetings, as a minimum, the Committee is presented with high and medium risks as a method of ensuring that they are kept aware of key risks. The key risks monitored during the year were the Office’s reputation and in the current economic climate the appropriate level of resources to enable the Ombudsman to meet his statutory obligations. The overall level of risk facing the Office has remained relatively low and generally static. Attendance was as follows:

| Membership: | |
|----------------------------|---|
| William Richardson (Chair) | 4 |
| Jonathan Morgan | 2 |
| Sharon Warnes | 4 |
| John Williams | 4 |

Other standing reports submitted to the Committee related to declarations of any fraud or losses, including any data losses, identified.

During the year the Committee also received reports on any appropriate matters that fell within its Terms of Reference. They included: the 9 and 12 month accounts, internal audit plans, updates on the business continuity plan, and relevant financial and corporate governance matters issued by HM Treasury.

At each meeting, the Committee received for information purposes 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 a regular scrutiny of the financial position within the Office.

The Committee provided advice to the Ombudsman to ensure that the 2016/17 Annual Governance Statement included appropriate information and complied with best practice.

(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 on the basis of their overall needs assessment and carried out through their third annual programme. Their reports highlighted the satisfactory internal control framework within the organisation and made recommendations for improvement where necessary. Their Finance Systems Internal Audit Annual Report for 2016/17 stated the following overall assessments:

| | |
|-------------------|-----------------------|
| Budgetary Control | SUBSTANTIAL assurance |
| General Ledger | SUBSTANTIAL assurance |
| Fixed Assets | MODERATE assurance |

The rolling audit programme covering the other aspects of the Office’s work and controls also noted the satisfactory internal control framework within the Office and made recommendations for improvement where necessary. The overall assessments were as follows:

| | |
|----------------------|-----------------------|
| Corporate Governance | SUBSTANTIAL assurance |
| Complaints Handling | SUBSTANTIAL assurance |

The internal auditors’ Annual Report for 2016/17 stated: ‘Based on the work we have undertaken during the year we are able to conclude that the Public Services Ombudsman for Wales (PSOW) has a basically sound system of internal control, which should provide substantial assurance regarding the achievement of the PSOW’s objectives’. These findings 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 role of external audit is undertaken by the Wales Audit Office (WAO). The Committee considered the Annual Accounts that included the Governance Statement of the Office for 2015/16 together with the External Audit of Financial Statements Report and Management Letter. The audit conclusions for the 2015/16 financial year were reviewed at the September 2016 meeting of the Committee.

An unqualified opinion was given on the 2015/16 Accounts on 21 July 2016 with the two recommendations accepted in full by management. These will be implemented in the 2016/17 annual accounts.

Both Internal and External Auditors have the right, if considered appropriate, 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 and that of the Committee 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 holds an annual meeting with representatives of the External and Internal Auditors. Such a meeting was held on 15 March 2017.

(f) Monitoring processes

At each meeting during 2016/17 the Committee received a report on progress made on implementation of External and Internal Audit recommendations. The Committee members were satisfied that all the recommendations made had been implemented or will be implemented by the first quarter of 2017/18.

(g) Annual Review and Assessment

This annual review is undertaken to ensure that the work of the Audit and 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 taken into account in preparing the Annual Report for 2016/17.

The report 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 effectively support me as the Public Services Ombudsman for Wales to comply with my Accounting Officer responsibilities, in particular, in providing evidence to assist in the preparation of this Annual Governance Statement.

Reporting of Personal Data Related Incidents

All incidents involving personal data are reported to the Audit and Risk Assurance Committee, regardless of whether the PSOW is at fault. Where PSOW is at fault, guidance issued by the Information Commissioner's Office is considered to establish whether it is necessary to report the incident to that office. During 2016/17, there was one incident which required reporting to the Information Commissioner's Office. This was duly reported to the Information Commissioner who, after receiving further details of the incident and steps taken to prevent a similar incident occurring in the future, decided that no further action was necessary.

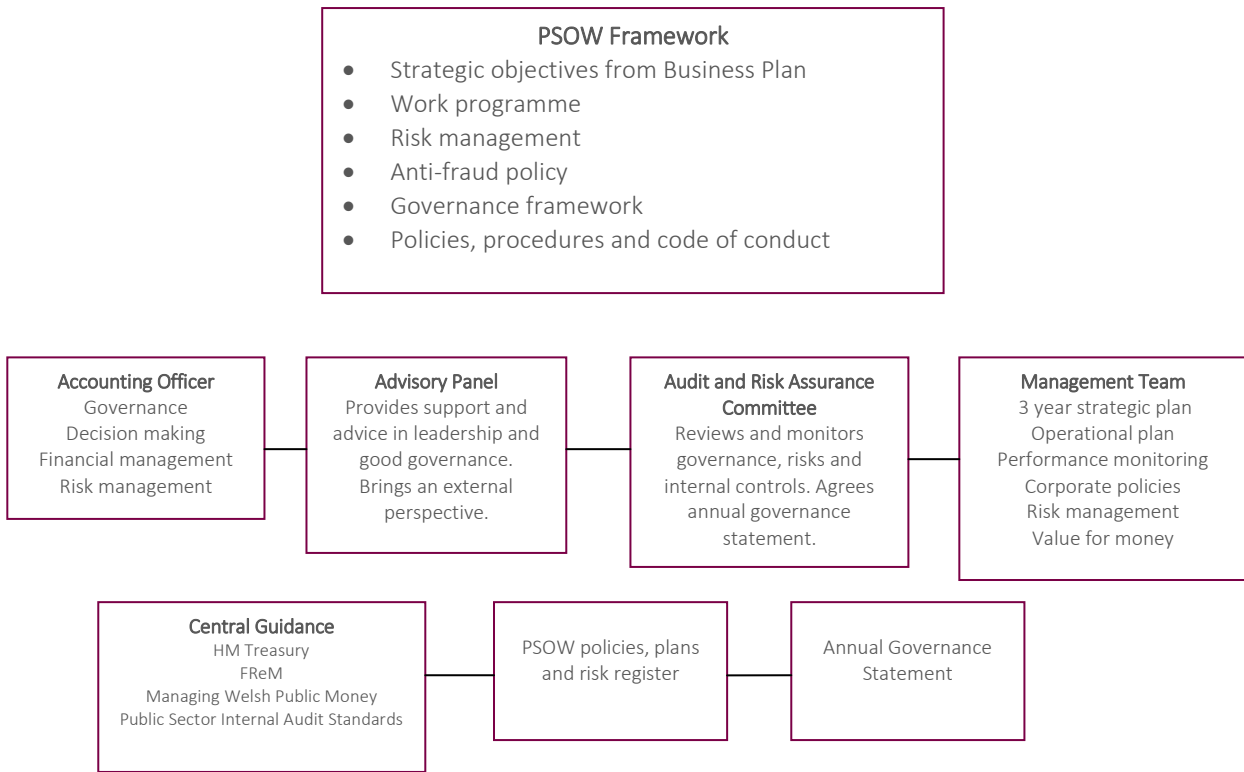
The Risk and Control Framework

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 and Risk Assurance Committee. This matter was a subject that received special attention during the year. A workshop on this topic was facilitated by our internal auditors, Deloitte. As a result a proposal for a new approach to risk was developed, together with a possible shorter and more focused report highlighting key risks. This work is ongoing.

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 2017 I have been supported by a Chief Operating Officer to whom some of the Ombudsman's responsibilities have been delegated. In addition the Management Team which I chair has responsibility for overseeing risk management. 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. As already stated the Audit and Risk Assurance Committee receives regular reports on the Risk Register of the Office.

Risk Assurance Framework Arrangements



Assurance Map Components



Budgeting Process

As Accounting Officer, I ensure that I have in place arrangements for tight control of the public money entrusted to me, as did my predecessor before me. In particular, 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 course of the year are considered and 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 2016/17.

As far as the process of producing the PSOW's financial estimate for 2017/18 is concerned, a paper setting out initial budget criteria was considered by the Advisory Panel in July 2016. Following on from this a draft budget estimate paper was considered at the meeting in September 2016. That paper set out in full the financial resources that the PSOW had identified as being necessary to enable the PSOW to carry out his duties. The final Estimates paper was submitted to the Finance Committee of the National Assembly for Wales. The Finance Committee considered the paper in October 2016 and I was pleased to be able to attend the meeting in order to answer Assembly Members' specific questions on the submission.

The National Assembly for Wales subsequently approved the financial estimate in full for 2017/18.

Conclusion

I am able to report that there were no significant weaknesses in the Office's system of internal controls in 2016/17 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.

Nick Bennett
Accounting Officer

12 July 2017

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 on page 54 and 55.

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 and Director of Investigations and Katrin Shaw - Assistant Director of Investigations and Legal Adviser.

| Single Total Figure of Remuneration | | | | | | | | | | |
|-------------------------------------|----------------|---------|------------------------|---------|------------------------------------|---------|--------------------------------------|---------|---------------|---------|
| Officials | Salary (£'000) | | Bonus payments (£'000) | | Benefits in Kind (to nearest £100) | | Pension benefits (to nearest £1,000) | | Total (£'000) | |
| | 2016/17 | 2015/16 | 2016/17 | 2015/16 | 2016/17 | 2015/16 | 2016/17 | 2015/16 | 2016/17 | 2015/16 |
| Nick Bennett | 140-145 | 140-145 | - | - | - | - | 57,000 | 56,000 | 200-205 | 195-200 |
| Chris Vinestock | 90-95 | 85-90 | - | - | - | - | 79,000 | 48,000 | 170-175 | 130-135 |
| Katrin Shaw | 70-75 | 65-70 | - | - | - | - | 74,000 | 33,000 | 145-150 | 95-100 |

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 2016/17 was £140-£145,000 (2015/16, £140-£145,000). This was 3.5 times (2015/16, 3.5) the median remuneration of the workforce, which was £40,623 (2015/16, £40,218). In 2016/17, no employee received remuneration in excess of the highest-paid director (2015/16, none).

Remuneration ranged from £16,000 to £145,000 (2016/17, £14,000-£145,000). Total remuneration includes salary, non-consolidated performance-related pay and benefits-in-kind. It does not include severance 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 1% pay increase was awarded to staff in 2016/17 that covered the year April 2016 to March 2017.

Pensions

Pension entitlements for the persons shown above are detailed below:

| Name | Accrued pension at pension age as at 31/03/17 and related lump sum | Real increase in pension and related lump sum at pension age | CETV at 31/03/17 | CETV at 31/03/16 | Real Increase in CETV | Employer contribution to partnership pension accounts |
|---------------------------|--|--|------------------|------------------|-----------------------|---|
| | £000 | £000 | £000 | £000 | £000 | Nearest £100 |
| Nick Bennett ¹ | 30-35 | 10-12.5 | 348 | 222 | 21 | - |
| Chris Vinestock | 50-55 | 2.5-5 | 651 | 580 | 44 | - |
| Katrin Shaw | 25-30 | 2.5-5 | 364 | 304 | 44 | - |

¹ The real increase in pension includes a transfer in brought by the member during the reporting year.

Pension Liabilities

The pension obligations to present and past employees are discharged through:

- (a) the Principal Civil Service Pension Scheme (PCSPS)
- (b) the Local Government Pension Scheme administered through the Cardiff and Vale of Glamorgan Pension Scheme (the Fund) and
- (c) the pensions paid directly to former Commissioners or their dependants.

Fuller details are given in the Pensions Disclosures at page 82.

Sickness

During the year, an average of 4.0 days per employee were lost through sickness compared with 5.6 days in 2015/16. This is the equivalent of 1.5% (2.0% in 2015/16) of total possible workdays.

In previous years pregnancy and maternity related sickness was excluded from the reported figures as these absences must, by law, be recorded separately. Whilst still recorded separately, for consistency with the approach in Office of National Statistics reports, pregnancy and maternity related sickness has now been included in the figures above. Figures (above) for 2015/16 have therefore been adjusted from those reported last year, so that they are shown on the same basis as the figures for 2016/17.

Reporting of Civil Service and other compensation schemes – exit packages

No exit packages were paid in 2016/17 (2015/16 Nil).

Advisory Panel and Audit and Risk Assurance Committee

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

| | 2016/17 | 2015/16 |
|--------------------|---------|---------|
| | £ | £ |
| William Richardson | 2,737 | 2,737 |
| John Williams | 1,711 | 1,400 |
| Jan Williams | - | - |
| Margaret Griffiths | 1,269 | 987 |
| Sharon Warnes | 1,711 | 1,244 |
| Jonathan Morgan | 1,244 | - |

For staff reporting issues see Annual Equality Report on page 29.

Nick Bennett
Accounting Officer
Public Services Ombudsman for Wales

12 July 2017

National Assembly for Wales Accountability and Audit Report

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

Summary of Net Resource Outturn

For the year ended 31 March 2017

| | Revised Estimate | | | Outturn | | | 2015/16 | |
|-----------------------------|-------------------|----------|--------------|-------------------|----------|--------------|--|--------------|
| | Gross Expenditure | Income | Net Total | Gross Expenditure | Income | Net Total | Net total outturn compared to estimate | Net Total |
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Revenue | 4,065 | - | 4,065 | 4,025 | - | 4,025 | 40 | 3,984 |
| Capital | 25 | - | 25 | 27 | - | 27 | (2) | 144 |
| Net Resource | 4,090 | - | 4,090 | 4,052 | - | 4,052 | 38 | 4,128 |
| Net Cash Requirement | 4,279 | - | 4,279 | 4,240 | - | 4,240 | 39 | 4,218 |

The £5k income received was in excess of the approved budget and will be returned to the Welsh Consolidated Fund (WCF) in addition to the £34k bank balance as at 31 March 2017.

The Ombudsman is paid directly from the Welsh Consolidated Fund and not by the Office. In previous years the Ombudsman's salary has been accounted for as a Non Staff Administration Cost in Note 3 and subsequently removed from the Summary of Resource Outturn. The Ombudsman's pay costs will not be included in the PSOW accounts from 2016/17 and the figures for 2015/16 have been adjusted to reflect this change.

For transparency, the Ombudsman's remuneration will continue to be disclosed in the Remuneration Report.

Reconciliation of Net Resource to Net Cash Requirement

For the year ended 31 March 2017

| | Note | 2016/17 Revised estimate | 2016/17 Net total Outturn | Net total outturn compared to revised estimate | 2015/16 Outturn |
|------------------------------|----------------------|--------------------------------|---------------------------------|--|--------------------|
| | | £000 | £000 | £000 | £000 |
| Net Revenue | 2-4 | 4,065 | 4,025 | 40 | 3,984 |
| Net Capital | 6 | 25 | 27 | (2) | 144 |
| Net Resource | | 4,090 | 4,052 | 38 | 4,128 |
| Excess income to WCF | 4 | - | (5) | 5 | - |
| Movement in provisions | 10 | (30) | (21) | (9) | 11 |
| Capital charges | 6 | (80) | (82) | 2 | (83) |
| Movements in working capital | 7-9 | 20 | 16 | 4 | (88) |
| Pension funding | Pensions Disclosures | 279 | 280 | (1) | 250 |
| Net cash requirement | | 4,279 | 4,240 | 39 | 4,218 |

The £5k income received was in excess of the approved budget and will be returned to the Welsh Consolidated Fund (WCF) in addition to the £34k bank balance as at 31 March 2017.

The figures for 2015/16 have been restated to take into account the revised treatment of the Ombudsman's pay costs.

Nick Bennett
Accounting Officer

12 July 2017

The Certificate and Report of the Auditor General for Wales to the National Assembly for Wales

I certify that I have audited the financial statements of the Public Services Ombudsman for Wales for the year ended 31 March 2017 under paragraph 17 (2) of schedule 1 of the Public Services Ombudsman (Wales) Act (2005). These comprise the Summary or Net Resource Outturn, Statement of Comprehensive Net Expenditure, Statement of Financial Position, Consolidated Statement of Cash Flows, Statement of Changes in Taxpayers Equity and related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the Accounting Officer and auditor

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 Services Ombudsman (Wales) Act 2005 and HM Treasury directions made there under and for ensuring the regularity of financial transactions.

My responsibility is to audit, certify and report on the financial statements in accordance with applicable law and with International Standards on Auditing (UK and Ireland). These standards require me to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Public Services Ombudsman for Wales' circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Public Services Ombudsman for Wales; and the overall presentation of the financial statements.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income have been applied to the purposes intended by the National

Assembly for Wales and the financial transactions conform to the authorities which govern them.

In addition I read all the financial and non-financial information in the Annual Report and Accounts to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate and report.

Opinion on Financial Statements

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 2017 and of its net cash requirement, net resource outturn and net operating cost, for the year then ended; and
- have been properly prepared in accordance with HM Treasury directions issued under the Public Services Ombudsman (Wales) Act 2005.

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 National Assembly for Wales and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with HM Treasury directions made under the Public Services Ombudsman (Wales) Act (2005); and
- the information in the Annual Report and Accounts is consistent with the financial statements.

Matters on which I report by exception

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

- the Governance Statement does not reflect compliance with HM Treasury guidance;
- proper accounting records have not been kept;
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records and returns;
- information specified by HM Treasury regarding the remuneration and other transactions is not disclosed; or
- I have not received all of the information and explanations I require for my audit.

Report

I have no observations to make on these financial statements.

Huw Vaughan Thomas
Auditor General for Wales
19 July 2017

Wales Audit Office
24 Cathedral Road
Cardiff CF11 9LJ



**Financial
Statements**

Statement of Comprehensive Net Expenditure

for the year ended 31 March 2017

| | Note | 2016/17 | 2015/16 |
|--------------------------------------|------|--------------|--------------|
| | | £000 | £000 |
| Administration costs | | | |
| Staff costs | 2 | 2,827 | 2,498 |
| Other non staff administration costs | 3 | 1,198 | 1,486 |
| Gross Administration Costs | | 4,025 | 3,984 |
| Operating Income | 4 | (5) | - |
| Net Administration Costs | | 4,020 | 3,984 |
| Net Revenue Outturn | | 4,020 | 3,984 |

All activities commenced in the period are continuing.

The notes on pages 68 to 81 and the Pensions Disclosures on pages 82 to 91 form part of these statements

The figures for 2015/16 have been restated to take into account the revised treatment of the Ombudsman's pay costs.

Statement of Financial Position

as at 31 March 2017

| | Note | 2016/17 | | 2015/16 | |
|---|----------------------|---------|--------------|---------|--------------|
| | | £000 | £000 | £000 | £000 |
| Non-current assets | | | | | |
| Property, Plant and Equipment | 6a | 140 | | 146 | |
| Intangible assets | 6b | 18 | | 67 | |
| Receivables due after more than one year | 7 | - | | - | |
| Pension fund surplus | Pensions Disclosures | 40 | | - | |
| Total non-current assets | | | 198 | | 213 |
| Current Assets | | | | | |
| Trade and other receivables | 7 | 163 | | 151 | |
| Cash and cash equivalents | 8 | 34 | | 36 | |
| Total current assets | | | 197 | | 187 |
| Total assets | | | 395 | | 400 |
| Current liabilities | | | | | |
| Trade and other payables | 9 | (172) | | (173) | |
| Provisions | 10 | (83) | | (49) | |
| Total current liabilities | | | (255) | | (222) |
| Non-current assets plus net current assets | | | 140 | | 178 |
| Trade and other payables due after one year | 9 | (33) | | (38) | |
| Provisions | 10 | (461) | | (474) | |
| Non-current liabilities | | | (494) | | (512) |
| Assets less liabilities before Pensions | | | (354) | | (334) |
| Pension fund deficit | Pensions Disclosures | | - | | (230) |
| Assets less liabilities | | | (354) | | (564) |
| Taxpayers' Equity: | | | | | |
| General Fund | | | (354) | | (564) |

The notes on pages 68 to 81 and the Pensions Disclosures on pages 82 to 91 form part of these statements. The financial statements were approved by the Accounting Officer and authorised for issue on 12 July 2017 by:

Nick Bennett
Accounting Officer

12 July 2017

Statement of Cash Flows

for the year ended 31 March 2017

| | Note | 2016/17 | 2015/16 |
|---|------|------------|-----------|
| | | £000 | £000 |
| Net cash outflow from operating activities | 11 | (4,215) | (4,041) |
| Net cash flow from investing activities | 12 | (27) | (144) |
| Financing from National Assembly for Wales | 13 | 4,279 | 4,254 |
| Net increase (decrease) in cash equivalents before adjustments for payments to Welsh Consolidated Fund | | 37 | 69 |
| Payments of amounts due to the Welsh Consolidated Fund | 8,9 | (39) | (36) |
| Net increase (decrease) in cash equivalents after adjustments for payments to Welsh Consolidated Fund | | (2) | 33 |
| | | | |
| Cash and cash equivalents at the beginning of period | | 36 | 3 |
| | | | |
| Cash and cash equivalents at the end of period | | 34 | 36 |

The notes on pages 68 to 81 and the Pensions Disclosures on pages 82 to 91 form part of these statements.

Statement of Changes in Taxpayers' Equity

for the year ended 31 March 2017

| | General Fund 2016/17 | General Fund 2015/16 |
|---|-------------------------|-------------------------|
| | £000 | £000 |
| Balance as at 1 April | (564) | (808) |
| Net operating costs | (4,020) | (3,984) |
| Funding by National Assembly for Wales | 4,279 | 4,254 |
| Due back to Welsh Consolidated Fund | | |
| - Cash | (34) | (36) |
| - Income in excess of approved budget | (5) | - |
| Actuarial (deficit) surplus | (10) | 10 |
| Total recognised income and expense for year | 210 | 244 |
| Balance as at 31 March | (354) | (564) |

The notes on pages 68 to 81 and the Pensions Disclosures on pages 82 to 91 form part of these statements.

The figures for 2015/16 have been restated to take into account the revised treatment of the Ombudsman's pay costs.

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 2016/17. 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 one year and the cost exceeds £1k. Assets costing less than £1k may be capitalised providing they are capital in nature and are part of a larger scheme that is in total more than £1k. 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 the fixed assets previously acquired and the prices paid for the 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 year's depreciation in the year of purchase. Assets in the course of construction are depreciated from the year 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 £1k or more is incurred and the useful life is more than one year. Intangible assets costing less than £1k may be capitalised providing they are capital in nature and are part of a larger scheme that is in total more than £1k. 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 a full year's amortisation charge is made with the balance amortised on a straight line basis over the balance of the estimated life.

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 and any surviving beneficiaries. Full details are disclosed in the Pensions 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 **Operating Leases**

Expenditure on leased property is expensed in the period to which it relates. Operating lease charges for equipment are spread equally over the life of the lease.

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.

1.12 Impact of Standards Not Yet Effective

| Standard | Effective date | Further details |
|---|----------------|---|
| IFRS 9 financial instruments | 2018/19 | IFRS 9 financial instruments will replace IAS 39 and includes a new principles-based approach for the classification and measurement of financial assets. It also introduces a new impairment methodology for financial assets based on expected losses rather than incurred losses. This will result in earlier and more timely recognition of expected credit losses. The accounting requirements for financial liabilities are almost all carried forward unchanged from IAS 39. |
| IFRS 15 revenue from contracts with customers | 2018/19 | IFRS 15 revenue from contracts with customers introduces a principles-based five-step model for recognising revenue arising from contracts with customers. It is based on a core principle requiring revenue recognition to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration the body expects to be entitled to, in exchange for those goods or services. It will also require more extensive disclosures than are currently required. |
| IFRS 16 leases | 2019/20 | IFRS 16 will replace the current leases standard IAS 17. The key change is that it largely removes the distinction between operating and finance leases for lessees by introducing a single lessee accounting model that requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. It will lead to all leases being recognised on the balance sheet as an asset based on a right of use principle with a corresponding liability for future rentals. This is a significant change in lessee accounting. |

2. Staff Costs and Numbers

The aggregate employment costs were as follows:

| | 2016/17 | 2015/16 |
|-------------------------------|--------------|--------------|
| | £000 | £000 |
| Permanent staff: | | |
| Salaries | 2,130 | 1,967 |
| Social Security Costs | 221 | 158 |
| Pension costs | 448 | 416 |
| Pension fund movements | 28 | (56) |
| Total | 2,827 | 2,485 |
| Temporary staff | | |
| Salaries | - | 10 |
| Social Security costs | - | 1 |
| Pension costs | - | 2 |
| Total | - | 13 |
| Total employment costs | 2,827 | 2,498 |

The costs of temporary staff include agency staff together with any persons employed on a non permanent contract.

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

| | 2016/17 | 2015/16 |
|-----------------------|-----------|-----------|
| | No. | No. |
| Directors | 2 | 2 |
| Investigations | 42 | 40 |
| Corporate services | 7 | 7 |
| Communications and PA | 4 | 4 |
| Total | 55 | 53 |

The figures for 2015/16 have been restated to take into account the revised treatment of the Ombudsman's pay costs.

3. Non Staff Administration Costs

| | 2016/17 | | 2015/16 | |
|---|---------|--------------|---------|--------------|
| | £000 | | £000 | |
| Rentals under operating leases | 261 | | 250 | |
| External Audit fee | 20 | | 20 | |
| Professional Advisers | 230 | | 250 | |
| Other property costs | 174 | | 396 | |
| Computer services | 177 | | 151 | |
| Office costs | 113 | | 161 | |
| Travel and subsistence | 39 | | 34 | |
| Training and Recruitment | 45 | | 68 | |
| Communications | 57 | | 73 | |
| Sub-total | | 1,116 | | 1,403 |
| Depreciation | 33 | | 33 | |
| Amortisation charge | 49 | | 50 | |
| Loss on disposal | - | | - | |
| Sub-total | | 82 | | 83 |
| Total Other Administration Costs | | 1,198 | | 1,486 |

The figures for 2015/16 have been restated to take into account the revised treatment of the Ombudsman's pay costs.

4. Operating Income

| | 2016/17 | 2015/16 |
|---|------------|----------|
| | £000 | £000 |
| Seconded staff | (4) | - |
| Interest receivable | - | - |
| Other – Future Generations Commissioner | (1) | - |
| Total | (5) | - |

5. Operating Costs by Strategic Aims

The costs of providing a first class Ombudsman service to Wales are set out below. We have identified four new strategic aims for delivering our mission and the allocation 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

| | 2016/17 | | 2015/16 | |
|---|--------------|--------------|--------------|--------------|
| | £000 | % | £000 | % |
| Strategic Aim 1: To provide a complaints service that is of the highest quality, proportionate and effective. | 3,097 | 77.0 | 3,098 | 77.8 |
| Strategic Aim 2: To use the knowledge and insight obtained from the complaints we consider to improve complaint handling by public services providers and to have an impact in improving public service delivery and informing public policy. | 677 | 16.8 | 659 | 16.5 |
| Strategic Aim 3: To continue to evolve and grow as an office, specifically planning for implementation of the Ombudsman's new powers should the National Assembly for Wales create a new Public Services Ombudsman (Wales) Act. | 59 | 1.5 | 56 | 1.4 |
| Strategic Aim 4: To be accountable for the service we provide and the public money we spend. | 187 | 4.7 | 171 | 4.3 |
| Net operating costs | 4,020 | 100.0 | 3,984 | 100.0 |

The allocation for 2015/16 has been restated to take into account the four new strategic aims as well as the revised treatment of the Ombudsman's pay costs.

6a Property, Plant and Equipment

| | Plant | Computers and other equipment | Furniture and other fittings | Total |
|-------------------------------------|-------|-------------------------------|------------------------------|-------|
| 2016/17 | £000 | £000 | £000 | £000 |
| Cost or valuation at 1 April 2016 | 156 | 222 | 406 | 784 |
| Additions | - | 8 | 19 | 27 |
| Disposals | - | (48) | (10) | (58) |
| At 31 March 2017 | 156 | 182 | 415 | 753 |
| Depreciation At 1 April 2016 | (156) | (183) | (299) | (638) |
| Charged in the year | - | (17) | (16) | (33) |
| Disposals | - | 48 | 10 | 58 |
| At 31 March 2017 | (156) | (152) | (305) | (613) |
| Carrying amount as at 31 March 2017 | - | 30 | 110 | 140 |
| Carrying amount as at 31 March 2016 | - | 39 | 107 | 146 |

| | Plant | Computers and other equipment | Furniture and other fittings | Total |
|-------------------------------------|-------|-------------------------------|------------------------------|-------|
| 2015/16 | £000 | £000 | £000 | £000 |
| Cost or valuation at 1 April 2015 | 156 | 198 | 297 | 651 |
| Additions | - | 24 | 109 | 133 |
| Disposals | - | - | - | - |
| At 31 March 2016 | 156 | 222 | 406 | 784 |
| Depreciation At 1 April 2015 | (156) | (164) | (285) | (605) |
| Charged in the year | - | (19) | (14) | (33) |
| Disposals | - | - | - | - |
| At 31 March 2016 | (156) | (183) | (299) | (638) |
| Carrying amount as at 31 March 2016 | - | 39 | 107 | 146 |
| Carrying amount as at 31 March 2015 | - | 34 | 12 | 46 |

6b Intangible Assets

| | Information Technology | Software Licences | Total |
|--|------------------------|-------------------|--------------|
| 2016/17 | £000 | £000 | £000 |
| Cost or valuation at 1 April 2016 | 502 | 71 | 573 |
| Additions | - | - | - |
| Disposals | (174) | - | (174) |
| At 31 March 2017 | 328 | 71 | 399 |
| | | | |
| Amortisation as at 1 April 2016 | (435) | (71) | (506) |
| Amortisation charged in the year | (49) | - | (49) |
| Disposals | 174 | - | 174 |
| At 31 March 2017 | (310) | (71) | (381) |
| | | | |
| Carrying amount as at 31 March 2017 | 18 | - | 18 |
| Carrying amount as at 31 March 2016 | 67 | - | 67 |

| | Information Technology | Software Licences | Total |
|---|------------------------|-------------------|--------------|
| 2015/16 | £000 | £000 | £000 |
| Cost or valuation at 1 April 2015 | 491 | 71 | 562 |
| Additions | 11 | - | 11 |
| Disposals | - | - | - |
| At 31 March 2016 | 502 | 71 | 573 |
| | | | |
| Amortisation as at 1 April 2015 | (385) | (71) | (456) |
| Amortisation charged in the year | (50) | - | (50) |
| Disposals | - | - | - |
| At 31 March 2016 | (435) | (71) | (506) |
| | | | |
| Carrying Value as at 31 March 2016 | 67 | - | 67 |
| Carrying Value as at 31 March 2015 | 106 | - | 106 |

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. A full verification of IT assets was completed during the year with numerous items no longer in use removed from the asset register.

7. Trade and other Receivables

| | 2016/17 | 2015/16 |
|---|------------|------------|
| | £000 | £000 |
| Amounts falling due within one year | | |
| Prepayments | 163 | 151 |
| Trade debtors | - | - |
| Amounts falling due after more than one year | - | - |
| Prepayments | - | - |
| Total | 163 | 151 |

8. Cash and Cash Equivalents

Any bank balance held at the year-end has to be returned to the Welsh Consolidated Fund. A figure of £34k (£36k in 2015/16) has been included within the accounts, being the net balance at the year end on all the bank accounts operated by the PSOW, irrespective of whether the individual account is in debit or credit. This balance will have to be repaid to the Welsh Consolidated Fund in 2017/18 under the Government of Wales Act 2006.

9. Trade Payables and other Current Liabilities

| | 2016/17 | 2015/16 |
|--|------------|------------|
| | £000 | £000 |
| Amounts falling due in one year | | |
| Untaken annual leave | 72 | 51 |
| Deferred rent reduction | 5 | 5 |
| Welsh Consolidated Fund - unspent balances | 34 | 36 |
| Welsh Consolidated Fund - excess income | 5 | - |
| Trade payables | 22 | 69 |
| Accruals | 34 | 12 |
| | 172 | 173 |
| Amounts falling due in more than one year | | |
| Deferred rent reduction | 33 | 38 |
| Total | 205 | 211 |

10. Provisions for Liabilities and Charges

| | 2016/17 | | | | 2015/16 |
|---------------------------------|-----------------------------------|--------------------|-------------|------------|------------|
| | Pensions for Former Commissioners | Dilapidation Costs | Legal Costs | Total | Total |
| | £000 | £000 | £000 | £000 | £000 |
| Balance at 1 April | 287 | 236 | - | 523 | 534 |
| Additional provision required | 17 | - | 42 | 59 | 158 |
| Discount rate movement | 11 | - | - | 11 | (1) |
| Provisions utilised in the year | (49) | - | - | (49) | (168) |
| Balance at 31 March | 266 | 236 | 42 | 544 | 523 |

Analysis of expected timings of payment of provisions:

| | 2016/17 | 2015/16 |
|------------------------------|------------|------------|
| | £000 | £000 |
| Payable within one year | 83 | 49 |
| Payable within 2 to 5 years | 166 | 165 |
| Payable in more than 5 years | 295 | 309 |
| Balance at 31 March | 544 | 523 |

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 0.24% for the financial year (1.37% in 2015/16) in line with the guidance issued by the Treasury. Two surviving spouses of former Commissioners remain as a pension liability.

A full dilapidations assessment was completed in 2015/16 to assess the full liability when the lease on the building at Bocam Park ends in 2025.

Legal fees have been provided to defend an ongoing legal case.

11. Reconciliation of Operating Cost to Operating Cash Flows

| | Notes | 2016/17 £000 | 2015/16 £000 |
|---|----------------------|-----------------|-----------------|
| Net operating cost | | (4,020) | (3,984) |
| Adjust for non cash items | 3 | 92 | 123 |
| Decrease /(Increase) in trade and other receivables | 7 | (12) | 19 |
| Increase/(Decrease) in trade and other payables | 9 | (6) | 102 |
| Payment to meet pension fund deficit | Pensions Disclosures | (290) | (290) |
| Movement in provisions | 10 | 21 | (11) |
| Net cash outflow from operating activities | | (4,215) | (4,041) |

The figures for 2015/16 have been restated to take into account the revised treatment of the Ombudsman's pay costs.

12. Non Current Asset Expenditure and Financial Investment

| | 2016/17 £000 | 2015/16 £000 |
|--|-----------------|-----------------|
| Purchases of property, plant and equipment | (27) | (133) |
| Proceeds of disposals of property, plant and equipment | - | - |
| Purchases of intangible assets | - | (11) |
| Net cash outflow from investing activities | (27) | (144) |

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

| | 2016/17 £000 | 2015/16 £000 |
|--|-----------------|-----------------|
| Net Cash Requirement: | | |
| Operating activities | (4,215) | (4,041) |
| Capital Expenditure | (27) | (144) |
| | (4,242) | (4,185) |
| Financing from National Assembly for Wales | 4,279 | 4,254 |
| | | |
| Repayment to Welsh Consolidated Fund | (39) | (36) |
| Increase /(Decrease) in cash and cash equivalents | (2) | 33 |

14. Commitments under Operating Leases

| | 2016/17 | 2015/16 |
|--|--------------|--------------|
| | £000 | £000 |
| Total future minimum operating lease payments on Building: | | |
| Payable within one year | 183 | 183 |
| Within two and five years | 732 | 732 |
| More than five years | 656 | 839 |
| | 1,571 | 1,754 |
| Other: | | |
| Payable within one year | 20 | 24 |
| Within two and five years | 32 | 34 |
| More than five years | - | - |
| | 52 | 58 |
| Total – all operating leases | 1,623 | 1,812 |

15. Contingent Liabilities

There is one ongoing legal case for which a provision for unrecoverable legal costs has been made. The outcome of the case and any potential liability is unknown.

16. Capital Commitments

There were no capital commitments at 31 March 2017 (2015/16 Nil).

17. Related Party Transactions

The PSOW is headed by the Public Services Ombudsman for Wales and was established under the Public Services Ombudsman (Wales) Act 2005. 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 National Assembly for Wales, the Office of the Parliamentary Ombudsman, HM Revenue and Customs (Tax and National Insurance payments) 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 related parties have undertaken any material transactions.

18. Events after the Reporting Period

None.

Pensions Disclosures

Two pension schemes are operated on behalf of current staff – 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 two 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 four sections: 3 providing benefits on a final salary basis (**classic**, **premium** or **classic plus**) with a normal pension age of 60; and one 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 3% and 8.05% of pensionable earnings for members of **classic** (and members of **alpha** who were members of **classic** immediately before joining **alpha**) and between 4.6% and 8.05% for members of **premium**, **classic plus**, **nuvos** and all other members of **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 three 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 his 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 two 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

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 disclosures below relate to the funded liabilities of the Cardiff and Vale of Glamorgan Pension Fund (the Fund) which is part of the Local Government Pension Scheme (the LGPS). The funded nature of the LGPS requires the PSOW and its employees who are members of the scheme to pay contributions into the Fund, calculated at a level intended to balance the pension's liabilities with investment assets.

The PSOW recognises gains and losses in full, immediately through the Statement of Comprehensive Net Expenditure. In accordance with International Financial Reporting Standards, disclosure of certain information concerning assets, liabilities, income and expenditure relating to pension schemes is required.

No further contributions are required to be paid to the Fund by the PSOW for future years.

Disclosure under IAS19 (LGPS funded benefits)

Introduction

The disclosures below relate to the funded liabilities within the Fund which are part of the LGPS.

Results under IAS 19 (LGPS funded benefits)

| | |
|--|---------------|
| Date of the last full actuarial valuation | 31 March 2016 |
| Expected employer contributions next year (£M) | - |
| Duration of liabilities | 12.8 years |

Key assumptions (% per annum)

| | 31 March 2017 | 31 March 2016 | 31 March 2015 |
|-----------------------------------|---------------|---------------|---------------|
| | % | % | % |
| Discount rate | 2.50 | 3.30 | 3.20 |
| RPI Inflation | 3.10 | 2.80 | 2.90 |
| CPI Inflation | 2.00 | 1.70 | 1.80 |
| Pension increases | 2.00 | 1.70 | 1.80 |
| Pension accounts revaluation rate | 2.00 | 1.70 | 1.80 |
| Salary increases | 3.00 | 2.70 | 2.80 |

Mortality assumptions

The mortality assumptions are based on the recent actual mortality experience of members within the Fund and allow for expected future mortality improvements. Sample life expectancies at age 65 resulting from these mortality assumptions are shown below:

| Assumed life expectancy at age 65 | 31 March 2017 | 31 March 2016 |
|-----------------------------------|---------------|---------------|
| Males | | |
| Member aged 65 at accounting date | 23.0 | 23.8 |
| Member aged 45 at accounting date | 24.0 | 25.9 |
| Females | | |
| Member aged 65 at accounting date | 25.7 | 26.8 |
| Member aged 45 at accounting date | 27.1 | 29.1 |

Asset allocation

| | Value at 31 March 2017 | | | Value at 31 March 2016 |
|------------------|---------------------------|---------------|--------------|---------------------------|
| | Quoted % | Unquoted % | Total % | Total % |
| Equities | 0.0 | 0.0 | 0.0 | 75.1 |
| Property | 0.0 | 0.0 | 0.0 | 7.3 |
| Government bonds | 100.0 | 0.0 | 100.0 | 8.1 |
| Corporate bonds | 0.0 | 0.0 | 0.0 | 7.2 |
| Cash | 0.0 | 0.0 | 0.0 | 2.3 |
| Other | 0.0 | 0.0 | 0.0 | 0.0 |
| Total | 100.0 | 0.0 | 100.0 | 100.0 |

Reconciliation of funded status to Statement of Financial Position

| | Value at 31 March 2017 £M | Value at 31 March 2016 £M |
|--|---------------------------------|---------------------------------|
| Fair value of assets | 7.00 | 6.12 |
| Present value of funded defined benefit obligation | 5.35 | 5.00 |
| Funded status | 1.65 | 1.12 |
| Unrecognised asset due to limit in paragraph 64 - IFRIC 14 | (1.61) | (1.35) |
| Asset/(Liability) recognised on the balance sheet | 0.04 | (0.23) |

The split of the liabilities at the last valuation between the various categories of members is as follows:

| | |
|---------------------|-----|
| Active Members | 6% |
| Deferred Pensioners | 12% |
| Pensioners | 82% |

Amounts recognised in Statement of Comprehensive Net Expenditure

| | Period ending 31 March 2017 £M | Period ending 31 March 2016 £M |
|---|--------------------------------------|--------------------------------------|
| Operating cost | | |
| Current service cost | 0.01 | 0.03 |
| Past service cost (incl. curtailments) | 0.00 | 0.00 |
| Settlement cost | 0.00 | 0.00 |
| Financing Cost | | |
| Interest on net defined benefit liability (asset) | 0.00 | 0.01 |
| Pension expense recognised in profit and loss | 0.01 | 0.04 |
| Re measurements in Other Comprehensive Income | | |
| Return on plan assets (in excess)/below that recognised in net interest | (0.59) | 0.29 |
| Actuarial (gains)/losses due to change in financial assumptions | 0.88 | (0.12) |
| Actuarial (gains)/losses due to changes in demographic assumptions | (0.30) | 0.00 |
| Actuarial (gains)/losses due to liability experience | (0.19) | (0.07) |
| Adjustments in respect of paragraph 64 | 0.21 | (0.11) |
| Total amount recognised in other comprehensive income (OCI) | 0.01 | (0.01) |
| Total amount recognised in profit and loss OCI | 0.02 | 0.03 |
| Allowance for administration expenses included in current service cost (£M) | 0.00 | 0.00 |

Changes to the present value of the defined benefit obligation during the accounting period

| | Period ending 31 March 2017 £M | Period ending 31 March 2016 £M |
|---|--------------------------------------|--------------------------------------|
| Opening defined benefit obligation | 5.00 | 5.24 |
| Current service cost | 0.01 | 0.03 |
| Interest expense on defined benefit obligation | 0.16 | 0.16 |
| Contributions by participants | 0.00 | 0.01 |
| Actuarial (gains)/losses on liabilities – financial assumptions | 0.88 | (0.12) |
| Actuarial (gains)/losses on liabilities – demographic assumptions | (0.30) | 0.00 |
| Actuarial (gains)/losses on liabilities – experience | (0.19) | (0.07) |
| Net benefits paid out | (0.21) | (0.25) |
| Past service cost (incl. curtailments) | 0.00 | 0.00 |
| Net increase in liabilities from disposals/acquisitions | 0.00 | 0.00 |
| Settlements | 0.00 | 0.00 |
| Closing defined benefit obligation | 5.35 | 5.00 |

Changes to the fair value of assets during the accounting period

| | Period ending 31 March 2017 £M | Period ending 31 March 2016 £M |
|--|--------------------------------------|--------------------------------------|
| Opening fair value of assets | 6.12 | 6.16 |
| Interest income on assets | 0.21 | 0.20 |
| Re measurement gains/(losses) on assets | 0.59 | (0.29) |
| Contributions by the employer | 0.29 | 0.29 |
| Contributions by participants | 0.00 | 0.01 |
| Net benefits paid out | (0.21) | (0.25) |
| Net increase in assets from the disposals/acquisitions | 0.00 | 0.00 |
| Settlements | 0.00 | 0.00 |
| Closing fair value of assets | 7.00 | 6.12 |

Actual return on assets

| | Period ending 31 March 2017 £M | Period ending 31 March 2016 £M |
|--|--------------------------------------|--------------------------------------|
| Interest income on assets | 0.21 | 0.20 |
| Re measurement gain/(losses) on assets | 0.59 | (0.29) |
| Actual return on assets | 0.80 | (0.09) |

Funded Benefits

The following data was provided by the Fund Administering Authority and / or the Employer and has been used to produce the IAS 19 results in this report. Details of the split of assets between the various asset classes were also provided by the Fund Administering Authority and are shown in Section 1. We have also shown some of the intermediate calculations used in evaluating the figures in this report.

Active Members as at 31 March 2016

| | Number | Total Pay £(M) |
|-------|--------|----------------|
| Total | 1 | 0.05 |

Pensioner and deferred pensioner members as at 31 March 2016

| Type | Number | Total Pension £(M) |
|---------------------------|--------|--------------------|
| Deferred members | 5 | 0.02 |
| Pensioners and dependants | 11 | 0.23 |

Funded cash-flow data provided

| | Months Provided | Amount Provided (£M) | Amount Used (£M) |
|---|-----------------|----------------------|------------------|
| Employer – Normal contributions | 12 | 0.01 | |
| Employer – Additional capital contributions | 12 | 0.00 | |
| Employer – Early retirement strain on fund payments | 12 | 0.00 | |
| Total contributions by the Employer | | | 0.01 |
| Employee – Normal contributions | 12 | 0.00 | |
| Employee – Added years contributions | 12 | 0.00 | |
| Total contributions by participants | | | 0.00 |
| Transfers in | 12 | 0.00 | |
| Other income | 12 | 0.00 | |
| Transfers out | 12 | 0.00 | |
| Retirement lump sums | 12 | 0.00 | |
| Other outgoings | 12 | 0.00 | |
| Death in service lump sums * | 12 | 0.00 | |
| Benefits paid (i.e. pension paid) | 12 | 0.21 | |
| Net benefits paid out ** | | | 0.21 |

* We have calculated the expected death in service lump sums over the year to be (£M) 0.00

** The 'Net benefits paid out' figure includes an allowance for expenses of (£M) 0.00

Funded cash-flow data provided – additional contributions

| Description | Date paid | Amount (£M) |
|-----------------|-------------|-------------|
| Deficit payment | 20 May 2016 | 0.28 |

Annualised pensionable payroll over the accounting period

| Type | (£M) * |
|-----------------------------|--------|
| Period ending 31 March 2017 | 0.05 |
| Period ending 31 March 2016 | 0.08 |

* The annualised pensionable payroll has been derived from the contributions paid over the relevant accounting period

Fund return

The overall annualised Fund return over the accounting period has been calculated as 18.0%. This includes any adjustment to reflect the difference between Fund returns and estimated index returns used over the last accounting period, where appropriate. The overall annualised Fund return from the 2016 Valuation date without such an adjustment is 18.1% and this return has been used to roll forward the assets notionally allocated to the Employer at the 2016 Valuation.

Please note the returns used to determine the overall Fund return over the accounting period are estimated figures as provided by the Administering Authority (net of investment management expenses), as the final figures were unavailable at the time of producing these accounting figures. In addition, please note that the asset return from 1 December 2016 to 31 March 2017 for the Employer has been taken as the index return on the published FTSE Index Linked UK Gilts over 5 years total return index, to reflect the notional low risk investment strategy which has been put in place with effect from 1 December 2016 in respect of the Employer.

Note from Fund Manager

PSOW requested to be protected against future market fluctuations. The actuary has recommended a low risk portfolio invested in FTSE Index Linked Gilts. It is their opinion that based on this approach it is unlikely that a deficit should emerge in the future.

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 three 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 2017 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 year there was no uplift for 2016/17.

The total payments during 2016/17 were £49k (£68k in 2015/16). The liabilities arising out of the obligation to finance these pensions together with any dependant pensions has been calculated to be £266k (£287k in 2015/16). 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 (2016) 10, of 0.24% (1.37% in 2015/16) has been applied in accordance with the Treasury guidance that all pension liabilities should be discounted



Annexes

Annex A: Public Body Complaints closed – Statistical Breakdown by outcomes by public body

County/County Borough Councils

| County/ County Borough Council | Out of Jurisdiction | Premature | 'Other' cases closed after Initial consideration | Discontinued | Early Resolution/ Voluntary Settlement | S16 Report - Upheld in whole or in part | Other Report Upheld - in whole or in part | Other Report - Not Upheld | Withdrawn | Total Cases Closed |
|-----------------------------------|------------------------|-----------|--|--------------|---|--|---|---------------------------------|-----------|-----------------------|
| Blaenau Gwent | 4 | 3 | 2 | 0 | 3 | 0 | 0 | 0 | 0 | 12 |
| Bridgend | 9 | 18 | 10 | 0 | 4 | 1 | 0 | 0 | 0 | 42 |
| Caerphilly | 20 | 14 | 17 | 0 | 4 | 0 | 0 | 0 | 0 | 55 |
| Cardiff | 31 | 43 | 38 | 1 | 16 | 0 | 3 | 1 | 0 | 133 |
| Carmarthenshire | 10 | 18 | 12 | 0 | 5 | 0 | 1 | 1 | 0 | 47 |
| Ceredigion | 5 | 11 | 15 | 0 | 4 | 0 | 4 | 0 | 0 | 39 |
| Conwy | 11 | 10 | 7 | 0 | 2 | 0 | 2 | 1 | 0 | 33 |
| Denbighshire | 3 | 8 | 15 | 0 | 0 | 0 | 0 | 1 | 0 | 27 |
| Flintshire | 8 | 9 | 11 | 0 | 9 | 0 | 4 | 0 | 0 | 41 |
| Gwynedd | 4 | 9 | 15 | 0 | 3 | 0 | 2 | 0 | 0 | 33 |
| Isle of Anglesey | 4 | 6 | 14 | 0 | 3 | 0 | 0 | 0 | 0 | 27 |
| Merthyr Tydfil | 3 | 2 | 2 | 0 | 2 | 0 | 1 | 0 | 0 | 10 |
| Monmouthshire | 7 | 2 | 10 | 0 | 1 | 0 | 2 | 0 | 0 | 22 |
| Neath Port Talbot | 11 | 11 | 13 | 0 | 3 | 0 | 0 | 0 | 0 | 38 |
| Newport | 2 | 6 | 15 | 0 | 7 | 0 | 0 | 0 | 0 | 30 |
| Pembrokeshire | 3 | 9 | 16 | 0 | 3 | 0 | 1 | 1 | 0 | 33 |
| Powys | 4 | 18 | 22 | 0 | 7 | 0 | 2 | 0 | 0 | 53 |
| Rhondda Cynon Taf | 9 | 12 | 21 | 0 | 6 | 0 | 0 | 0 | 0 | 48 |
| Swansea | 5 | 23 | 22 | 0 | 4 | 0 | 0 | 0 | 0 | 54 |

| | | | | | | | | | | |
|-------------------|------------|------------|------------|----------|------------|----------|-----------|----------|----------|------------|
| Torfaen | 4 | 3 | 13 | 0 | 2 | 0 | 0 | 0 | 0 | 22 |
| Vale of Glamorgan | 7 | 7 | 16 | 0 | 9 | 0 | 0 | 0 | 0 | 39 |
| Wrexham | 3 | 19 | 12 | 0 | 13 | 0 | 0 | 0 | 0 | 47 |
| Total | 167 | 261 | 318 | 1 | 110 | 1 | 22 | 5 | 0 | 885 |

Other Local Authority

| | Out of Jurisdiction | Premature | 'Other' cases closed after initial consideration | Discontinued | Early Resolution/ Voluntary Settlement | S16 Report - Upheld - in whole or in part | Other Report Upheld - in whole or in part | Other Report - Not Upheld | Withdrawn | Total Cases Closed |
|---|---------------------|-----------|--|--------------|--|---|---|---------------------------|-----------|--------------------|
| School Appeal Panels | | | | | | | | | | |
| Admission Appeal Panel Roath Park Primary School | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Admission Appeal Panel St Richard Gwyn Catholic High School | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 1 |
| Admission Appeals Panel St Brigid's School | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Admissions Appeal Panel Cardiff High School | 0 | 0 | 2 | 1 | 0 | 0 | 0 | 0 | 0 | 3 |
| Admissions Appeal Panel – Bassaleg School | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Admissions Appeal Panel – Pillgwenlly Primary School | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Admissions Appeal Panel – Rhydypenau Primary School | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Admissions Appeal Panel – The Bishop of Llandaff Church-in-Wales High School | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Admissions Appeal Panel- Hawarden High School | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Admissions Appeals Panel – Newbridge School | 0 | 0 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 2 |
| Admissions Appeals Panel for St Joseph's Cathedral | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |

| | | | | | | | | | | |
|---|----------|----------|-----------|----------|----------|----------|----------|----------|----------|-----------|
| Primary School | | | | | | | | | | |
| Appeals Panel – Bishopston Comprehensive School | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Independent Appeal Panel – Fitzalan High School | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Independent Appeal Panel – Garnteg Primary School | 0 | 0 | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 3 |
| Independent Appeal Panel – Ysgol Estyn | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Independent School Admissions Appeals Panel (Cardiff) | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| TOTAL | 0 | 0 | 19 | 1 | 0 | 0 | 0 | 0 | 0 | 21 |

National Park Authorities

| National Park Authority | Out of Jurisdiction | Premature | 'Other' cases closed after initial consideration | Discontinued | Early Resolution/ Voluntary Settlement | S16 Report - Upheld - in whole or in part | Other Report Upheld - in whole or in part | Other Report - Not Upheld | Withdrawn | Total Cases Closed |
|-----------------------------------|---------------------|-----------|--|--------------|--|---|---|---------------------------|-----------|--------------------|
| Brecon Beacon | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Pembrokeshire Coast | 0 | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 2 |
| Snowdonia National Park Authority | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Total | 0 | 2 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 4 |

Fire Authorities

| Fire & Rescue | Out of Jurisdiction | Premature | 'Other' cases closed after initial consideration | Discontinued | Early Resolution/ Voluntary Settlement | S16 Report - Upheld - in whole or in part | Other Report Upheld - in whole or in part | Other Report - Not Upheld | Withdrawn | Total Cases Closed |
|--------------------|---------------------|-----------|--|--------------|--|---|---|---------------------------|-----------|--------------------|
| Mid and West Wales | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| South Wales | 0 | 0 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 2 |
| TOTAL | 0 | 0 | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 3 |

Police Authorities

| Police Authority | Out of Jurisdiction | Premature | 'Other' cases closed after initial consideration | Discontinued | Early Resolution / Voluntary Settlement | S16 Report - Upheld - in whole or in part | Other Report Upheld - in whole or in part | Other Report - Not Upheld | Withdrawn | Total Cases Closed |
|------------------------------------|---------------------|-----------|--|--------------|---|---|---|---------------------------|-----------|--------------------|
| South Wales Police and Crime Panel | 2 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 3 |
| TOTAL | 2 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 3 |

Community/Town Councils

| Community or Town Council | Out of Jurisdiction | Premature | 'Other' cases closed after Initial consideration | Discontinued | Early Resolution/ Voluntary Settlement | S16 Report - Upheld - in whole or in part | Other Report Upheld - in whole or in part | Other Report - Not Upheld | Withdrawn | Total Cases Closed |
|-----------------------------|---------------------|-----------|--|--------------|--|---|---|---------------------------|-----------|--------------------|
| Aberdyfi Community Council | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| Aberporth Community Council | 1 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 2 |
| Brackla Community Council | 0 | 0 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 2 |

| | | | | | | | | | | |
|---|----------|----------|-----------|----------|----------|----------|----------|----------|----------|-----------|
| Churchstoke Community Council | 0 | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 2 |
| Clocaenog Community Council | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| Dolgellau Town Council | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Holyhead Town Council | 2 | 0 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 4 |
| Llanbedr Community Council | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Llandudno Town Council | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Llandwrog Community Council | 0 | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 2 |
| Llanharan Community Council | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Mawr Community Council | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Neath Town Council | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Penarth Town Council | 0 | 0 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 2 |
| Pen-Y-Cae Community Council | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Porthcawl Town Council | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Prestatyn Town Council | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Radyr and Morganstown Community Council | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Seven Sisters Community Council | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Ynysawdre Community Council | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 2 |
| Total | 7 | 6 | 13 | 0 | 2 | 0 | 0 | 1 | 0 | 29 |

Registered Social Landlords

| Housing Association (Registered Social Landlord) | Out of Jurisdiction | Premature | 'Other' cases closed after Initial consideration | Discontinued | Early Resolution/ Voluntary Settlement | S16 Report - Upheld - in whole or in part | Other Report Upheld - in whole or in part | Other Report - Not Upheld | Withdrawn | Total Cases Closed |
|--|---------------------|-----------|--|--------------|--|---|---|---------------------------|-----------|--------------------|
| Aelwyd Housing Association | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 1 |
| Bro Myrddin Housing Association | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Bron Afon Community Housing Ltd | 3 | 8 | 5 | 0 | 3 | 0 | 1 | 0 | 0 | 20 |
| Cadarn Housing Group Ltd | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Cadwyn Housing Association Ltd | 0 | 5 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 5 |
| Cardiff Community Housing Association Ltd | | 1 | 5 | 0 | 0 | 0 | 0 | 0 | 0 | 6 |
| Care and Repair Ynys Mon | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Cartrefi Conwy | 3 | 5 | 7 | 0 | 0 | 0 | 0 | 0 | 0 | 15 |
| Cartrefi Cymunedol Gwynedd | 1 | 5 | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 9 |
| Charter Housing Association | 0 | 1 | 5 | 0 | 0 | 0 | 0 | 0 | 0 | 6 |
| Clwyd Alyn Housing Association Ltd | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Coastal Housing Group Ltd | 0 | 0 | 4 | 0 | 0 | 0 | 0 | 0 | 0 | 4 |
| Cymdeithas Tai Cantref | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Derwen Cymru | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| Family Housing Association (Wales) Ltd | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Grwp Cynefin | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Gwalia Cyf | 0 | 2 | 4 | 0 | 1 | 0 | 0 | 0 | 0 | 7 |
| Hafod Housing Association | 1 | 0 | 2 | 0 | 2 | 0 | 0 | 0 | 0 | 5 |
| Linc-Cymru Housing Association | 1 | 1 | 1 | 0 | 1 | 0 | 0 | 0 | 0 | 4 |

| | | | | | | | | | | |
|--|-----------|-----------|-----------|---|-----------|---|----------|----------|---|------------|
| Melin Homes Ltd | 1 | 3 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 5 |
| Merthyr Tydfil Housing Association Ltd | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Merthyr Valleys Homes | 1 | 3 | 7 | 0 | 2 | 0 | 0 | 0 | 0 | 13 |
| Mid Wales Housing Association Ltd | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2 |
| Mill Bay Homes | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| Monmouthshire Housing Association | 1 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3 |
| Newport City Homes | 3 | 6 | 6 | 0 | 3 | 0 | 0 | 0 | 0 | 18 |
| Newydd Housing Association | 0 | 2 | 5 | 0 | 0 | 0 | 0 | 0 | 0 | 7 |
| North Wales Housing | 0 | 2 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 3 |
| NPT Homes | 1 | 3 | 3 | 0 | 1 | 0 | 0 | 0 | 0 | 8 |
| Pembrokeshire Housing Association Ltd | 0 | 0 | 0 | 0 | 2 | 0 | 0 | 0 | 0 | 2 |
| Rhondda Housing Association Ltd | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 1 |
| Taff Housing Association | 0 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2 |
| Tai Calon | 0 | 4 | 2 | 0 | 1 | 0 | 0 | 0 | 0 | 7 |
| Tai Ceredigion Cyf | 0 | 1 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 2 |
| Trivallis | 1 | 3 | 2 | 0 | 7 | 0 | 0 | 0 | 0 | 13 |
| United Welsh Housing Association | 2 | 2 | 3 | 0 | 2 | 0 | 0 | 1 | 0 | 10 |
| Valleys To Coast | 0 | 4 | 4 | 0 | 0 | 0 | 0 | 0 | 0 | 8 |
| Wales and West Housing Association | 1 | 2 | 3 | 0 | 1 | 0 | 0 | 1 | 0 | 8 |
| Total | 25 | 67 | 77 | | 29 | | 3 | 2 | | 204 |

Local Health Boards and NHS Trusts

| Local Health Board/NHS Trust | Out of Jurisdiction | Premature | 'Other' cases closed after Initial consideration | Discontinued | Early Resolution / Voluntary Settlement | S16 Report - Upheld - in whole or in part | Other Report Upheld - in whole or in part | Other Report - Not Upheld | Withdrawn | Total Cases Closed |
|------------------------------|---------------------|------------|--|--------------|---|---|---|---------------------------|-----------|--------------------|
| Abertawe Bro Morgannwg | 13 | 22 | 21 | 2 | 18 | 0 | 24 | 7 | 0 | 107 |
| Aneurin Bevan | 6 | 18 | 33 | 1 | 11 | 1 | 17 | 8 | 0 | 95 |
| Betsi Cadwaladr | 20 | 27 | 44 | 5 | 46 | 3 | 42 | 6 | 1 | 194 |
| Cardiff and Vale | 11 | 24 | 25 | 1 | 8 | 0 | 15 | 9 | 0 | 93 |
| Cwm Taf | 12 | 15 | 18 | 0 | 9 | 1 | 14 | 2 | 0 | 71 |
| Hywel Dda | 15 | 21 | 23 | 1 | 31 | 0 | 6 | 5 | 0 | 102 |
| Powys Teaching | 3 | 2 | 14 | 0 | 3 | 0 | 1 | 1 | 0 | 24 |
| Public Health Wales | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Velindre | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Welsh Ambulance Services | | 4 | 6 | 2 | 2 | 0 | 0 | 2 | 0 | 16 |
| Total | 80 | 133 | 184 | 12 | 128 | 5 | 119 | 40 | 1 | 702 |

Community Health Councils

| Community Health Councils | Out of Jurisdiction | Premature | 'Other' cases closed after Initial consideration | Discontinued | Early Resolution / Voluntary Settlement | S16 Report - Upheld - in whole or in part | Other Report Upheld - in whole or in part | Other Report - Not Upheld | Withdrawn | Total Cases Closed |
|-------------------------------|---------------------|-----------|--|--------------|---|---|---|---------------------------|-----------|--------------------|
| Abertawe Bro Morgannwg | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Cardiff and Vale of Glamorgan | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Cwm Taf | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 1 |
| TOTAL | 0 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 3 |

Other Health Bodies

| Other Health | Out of Jurisdiction | Premature | 'Other' cases closed after Initial consideration | Discontinued | Early Resolution/ Voluntary Settlement | S16 Report - Upheld - in whole or in part | Other Report Upheld - in whole or in part | Other Report - Not Upheld | Withdrawn | Total Cases Closed |
|--------------|---------------------|-----------|--|--------------|--|---|---|---------------------------|-----------|--------------------|
| Dentists | 4 | 5 | 6 | 0 | 4 | 0 | 5 | 3 | 0 | 27 |
| GPs | 15 | 38 | 52 | 0 | 11 | 0 | 12 | 15 | 0 | 143 |
| Pharmacist | 0 | 0 | 2 | 0 | 0 | 0 | 1 | 0 | 0 | 3 |
| TOTAL | 19 | 43 | 60 | 0 | 15 | 0 | 18 | 18 | 0 | 173 |

Welsh Government and Welsh Government Sponsored Bodies

| Welsh Government and Welsh Government Sponsored Bodies | Out of Jurisdiction | Premature | 'Other' cases closed after initial consideration | Discontinued | Early Resolution/ Voluntary Settlement | S16 Report - Upheld - in whole or in part | Other Report Upheld - in whole or in part | Other Report - Not Upheld | Withdrawn | Total Cases Closed |
|--|---------------------|-----------|--|--------------|--|---|---|---------------------------|-----------|--------------------|
| Welsh Government | | | | | | | | | | |
| CADW | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| CAFCASS Cymru | 1 | 2 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 4 |
| CSSIW | 1 | 1 | 3 | 0 | 0 | 0 | 1 | 0 | 0 | 6 |
| Planning Inspectorate | 3 | 2 | 5 | 0 | 0 | 0 | 1 | 0 | 0 | 11 |
| Welsh Government | 4 | 3 | 10 | | 1 | | 1 | | | 19 |
| Welsh Health Specialised Services Committee | 0 | 0 | 1 | 0 | 0 | 0 | 1 | 0 | 0 | 2 |
| Total | 9 | 9 | 20 | 0 | 1 | 0 | 4 | 0 | 0 | 43 |
| Welsh Government Sponsored Body | | | | | | | | | | |
| Care Council for Wales | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Natural Resources Wales | 3 | 1 | 9 | 0 | 0 | 0 | 0 | 0 | 0 | 13 |
| Student Finance Wales | 2 | 6 | 7 | 0 | 1 | 0 | 0 | 0 | 0 | 16 |
| Total | 5 | 7 | 17 | 0 | 1 | 0 | 0 | 0 | 0 | 30 |

Independent Care Providers

| Independent Care Providers | Out of Jurisdiction | Premature | 'Other' cases closed after Initial consideration | Discontinued | Early Resolution / Voluntary Settlement | S16 Report - Upheld - in whole or in part | Other Report Upheld - in whole or in part | Other Report - Not Upheld | Withdrawn | Total Cases Closed |
|--------------------------------------|---------------------|-----------|--|--------------|---|---|---|---------------------------|-----------|--------------------|
| Caldey Grange | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Hallmark Care Home Limited | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 1 |
| NHS Independent Care | | | | | | | | | | |
| Glasfryn Nursing Home | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| Leonard Cheshire Disability | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 1 |
| Self Funding Independent Care | | | | | | | | | | |
| Broadway Care Centres | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Glanenig House Care Home | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Hafod House Residential Care Home | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 1 |
| MiHomecare Limited | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Nazareth House | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Q Care Ltd | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Towy Castle Care Home | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| TOTAL | 4 | 3 | 0 | 0 | 1 | 0 | 3 | 0 | 0 | 11 |

Other

| Other | Out of Jurisdiction | Premature | 'Other' cases closed after Initial consideration | Discontinued | Early Resolution/ Voluntary Settlement | S16 Report - Upheld - in whole or in part | Other Report Upheld - in whole or in part | Other Report - Not Upheld | Withdrawn | Total Cases Closed |
|--|---------------------|-----------|--|--------------|--|---|---|---------------------------|-----------|--------------------|
| National Assembly for Wales Commission | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| NHS Business Services Authority | 0 | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 2 |
| TOTAL | 1 | 1 | 1 | | | | | | | 3 |

Annex B: Code of Conduct Complaints closed – Statistical Breakdown by outcomes by local authority

County/County Borough Councils

| County/County Borough Council | Closed after initial consideration | Discontinued | No evidence of breach | No action necessary | Refer to Standards Committee | Refer to Adjudication Panel | Withdrawn | Total Cases Closed |
|-------------------------------|------------------------------------|--------------|-----------------------|---------------------|------------------------------|-----------------------------|-----------|--------------------|
| Blaenau Gwent | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Bridgend | 3 | 0 | 0 | 1 | 0 | 0 | 0 | 4 |
| Caerphilly | 6 | 0 | 1 | 0 | 0 | 0 | 0 | 7 |
| Cardiff | 4 | 0 | 0 | 0 | 0 | 1 | 0 | 5 |
| Carmarthenshire | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Ceredigion | 5 | 0 | 0 | 0 | 0 | 0 | 0 | 5 |
| Conwy | 1 | 0 | 0 | 1 | 0 | 0 | 0 | 2 |
| Denbighshire | 6 | 0 | 0 | 0 | 0 | 0 | 0 | 6 |
| Flintshire | 3 | 0 | 1 | 0 | 0 | 0 | 0 | 4 |
| Gwynedd | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 3 |
| Isle of Anglesey | 2 | 0 | 0 | 1 | 0 | 0 | 0 | 3 |
| Merthyr | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| Monmouthshire | 7 | 0 | 1 | 0 | 0 | 0 | 0 | 8 |
| Neath Port Talbot | 1 | 0 | 0 | 0 | 1 | 0 | 0 | 2 |
| Newport | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Pembrokeshire | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 2 |
| Powys | 16 | 0 | 1 | 0 | 3 | 0 | 2 | 22 |
| Rhondda Cynon Taf | 6 | 0 | 1 | 0 | 0 | 0 | 0 | 7 |
| Swansea | 12 | 1 | 0 | 0 | 0 | 0 | 0 | 13 |
| Torfaen | 3 | 0 | 0 | 0 | 1 | 0 | 0 | 4 |

| | | | | | | | | |
|-------------------|-----------|----------|----------|----------|----------|----------|----------|------------|
| Vale of Glamorgan | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Wrexham | 4 | 0 | 0 | 0 | 0 | 0 | 0 | 4 |
| TOTAL | 88 | 2 | 5 | 3 | 5 | 1 | 2 | 106 |

Community/ Town Councils

| Community/Town Council | Closed after initial consideration | Discontinued | No evidence of breach | No action necessary | Refer to Standards Committee | Refer to Adjudication Panel | Withdrawn | Total Cases Closed |
|--|------------------------------------|--------------|-----------------------|---------------------|------------------------------|-----------------------------|-----------|--------------------|
| Abergele Town Council | 4 | 0 | 0 | 0 | 0 | 0 | 0 | 4 |
| Aberporth Community Council | 8 | 0 | 0 | 0 | 0 | 0 | 0 | 8 |
| Abertillery & Llanhilleth Community Council | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 3 |
| Aberystwyth Town Council | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 1 |
| Amlwch Town Council | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Bangor City Council | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Barry Town Council | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 3 |
| Bedwas, Trethomas & Machen Community Council | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Bodelwyddan Town Council | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 1 |
| Coity Higher Community Council | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Cornelly Community Council | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| Cwmamman Town Council | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 1 |
| Fishguard & Goodwick Town Council | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Glynneath Town Council | 14 | 0 | 0 | 0 | 0 | 0 | 0 | 14 |
| Gwaun Cae Gurwen Community Council | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Kidwelly Town Council | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 1 |
| Laleston Community Council | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 2 |
| Langstone Community Council | 0 | 0 | 2 | 0 | 0 | 0 | 0 | 2 |

INNOVATION, IMPROVEMENT, INFLUENCE

| | | | | | | | | |
|---|---|---|---|---|---|---|----|----|
| Llandrindod Wells Town Council | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 2 |
| Llandudno Town Council | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 3 |
| Llandwrog Community Council | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Llanelli Rural Council | 4 | 0 | 0 | 2 | 0 | 0 | 0 | 6 |
| Llanelli Town Council | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Llanelly Community Council | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Llanfihangel Glyn Myfyr Community Council | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 2 |
| Llangefni Town Council | 9 | 0 | 1 | 0 | 0 | 0 | 0 | 10 |
| Llangennech Community Council | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 2 |
| Llangynog Community Council | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 2 |
| Llantrisant Community Council | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Llantwit Major Town Council | 1 | 0 | 0 | 1 | 0 | 0 | 0 | 2 |
| Magor with Undy Community Council | 2 | 0 | 1 | 0 | 0 | 0 | 0 | 3 |
| Manorbier Community Council | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Milford Haven Town Council | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 2 |
| Mold Town Council | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Mumbles Community Council | 2 | 3 | 0 | 3 | 0 | 0 | 18 | 26 |
| Northop Hall Community Council | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 2 |
| Ogmore Valley Community Council | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Pen-Y-Cae Community Council | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Pontyclun Community Council | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 2 |
| Pontypridd Town Council | 4 | 0 | 0 | 0 | 0 | 0 | 0 | 4 |
| Prestatyn Town Council | 5 | 2 | 0 | 1 | 0 | 0 | 0 | 8 |
| Queensferry Community Council | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Radyr and Morganstown Community Council | 0 | 0 | 3 | 0 | 0 | 0 | 0 | 3 |
| Saltney Town Council | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |

| | | | | | | | | |
|---------------------------------------|------------|----------|----------|-----------|----------|----------|-----------|------------|
| Sully and Lavernock Community Council | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Trefriw Community Council | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Tywyn Town Council | 0 | 0 | 0 | 2 | 0 | 0 | 0 | 2 |
| TOTAL | 112 | 8 | 7 | 13 | 0 | 0 | 18 | 140 |

National Park Authorities

| | Closed after initial consideration | Discontinued | No evidence of breach | No action necessary | Refer to Standards Committee | Refer to Adjudication Panel | Withdrawn | Total Cases Closed |
|---------------------------|------------------------------------|--------------|-----------------------|---------------------|------------------------------|-----------------------------|-----------|--------------------|
| National Park Authorities | | | | | | | | |
| Brecon Beacons | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 2 |
| TOTAL | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 2 |

Annex C: Complaints About PSOW service

Our 'How to complain about us' policy can be used when complainants feel that we have:

- treated them unfairly or rudely; or
- failed to explain things clearly; or
- caused unreasonable delays; or
- failed to do what we have said we would; or
- failed to follow our processes correctly.

We aim to provide a first class Ombudsman service for Wales. As part of that commitment we aim to:

- provide an accessible, simple, effective and transparent process for looking into complaints about the service we give;
- respond quickly to complaints about the service we have provided; and,
- if we have got things wrong or given poor service, apologise and learn from our mistakes.

The table below reports on the number of complaints received during 2016/17 and their outcomes, together with a comparison of the position in 2015/16.

| | 2016/17 | 2015/16 |
|---|-----------|-----------|
| Complaints brought forward from previous year | 0 | 1 |
| Complaints about us received | 62 | 61 |
| TOTAL COMPLAINTS | 62 | 62 |
| | | |
| OUTCOMES | | |
| Upheld | 11 | 15 |
| Not Upheld | 51 | 47 |
| TOTAL CLOSED DURING YEAR | 62 | 62 |
| Ongoing and carried forward at 31 March 2017 | 1 | 0 |

The nature of the complaints that were upheld were:

| | |
|--|-----------|
| Lack or delay in contacting complainant | 5 |
| Delay in case referral | 2 |
| Adequacy of approach to ensuring those named in complaints are given a chance to comment | 1 |
| Telephone system hold message – Welsh language issue | 1 |
| Staff process error e.g. misfiling, incorrect letter template used | 2 |
| TOTAL | 11 |

The following corrective action was undertaken;

- an apology was issued to the complainant in each upheld case;
- the relevant line manager(s) were made aware of the upheld complaints relevant to their teams for future training and monitoring;
- appropriate and relevant staff training was undertaken where necessary;
- appropriate action in accordance with PSOW HR policies was undertaken;
- relevant policies / processes reviewed and revised to minimise risk of re-occurrence.

I have also appointed an independent external reviewer of complaints about my service.

This review service is available to those who have complained about my service, but remain dissatisfied having received my response. The annual report from the ICRS, the independent external reviewer, notes that five complainants asked ICRS to review their complaints about PSOW during the 2016/17 year and two complaints from 2015/16 were concluded. ICRS have not made any recommendations to me arising from their work, noting that complaints are generally about the outcomes of complaints about a public service or body, rather than about the service provided by me and my staff.

Public Services Ombudsman for Wales

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Report of the Monitoring Officer

Standards Committee – 13 October 2017

Code of Conduct Casebook

Purpose: To update the Standards Committee on the Ombudsman's Code of Conduct Casebook

Report Author: Tracey Meredith

Finance Officer: Ben Smith

Legal Officer: Tracey Meredith

Access to Services Officer: Sherill Hopkins

For Information

1. Background

- 1.1 The Public Service Ombudsman for Wales has published a Code of Conduct Casebook for the period March to July 2017 – Issue 13 July 2017, which is attached at Appendix A.

2. Equality and Engagement Implications

There are no equality and engagement implications associated with this report.

3. Legal Implications

There are no legal implications associated with this report.

4. Financial Implications

There are no financial implications.

Background Papers: None

Appendices: Appendix A – Code of Conduct Casebook

The Code of Conduct Casebook

Issue 13 July 2017

Contents

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Introduction

The Public Services Ombudsman for Wales considers complaints that members of local authorities in Wales have broken the Code of Conduct. The Ombudsman investigates such complaints under the provisions of Part III of the Local Government Act 2000 and the relevant Orders made by the National Assembly for Wales under that Act.

Where the Ombudsman decides that a complaint should be investigated, there are four findings, set out under section 69 of the Local Government Act 2000, which the Ombudsman can arrive at:

- (a) that there is no evidence that there has been a breach of the authority's code of conduct;
- (b) that no action needs to be taken in respect of the matters that were subject to the investigation;
- (c) that the matter be referred to the authority's monitoring officer for consideration by the standards committee;
- (d) that the matter be referred to the President of the Adjudication Panel for Wales for adjudication by a tribunal (this generally happens in more serious cases).

In the circumstances of (c) and (d) above, the Ombudsman is required to submit the investigation report to the standards committee or a tribunal of the Adjudication Panel for Wales and it is for them to consider the evidence found by the Ombudsman, together with any defence put forward by the member concerned. It is also for them to determine whether a breach has occurred and, if so, what

penalty (if any) should be imposed.

The Code of Conduct Casebook contains summaries of reports issued by this office for which the findings were one of the four set out above. However, in reference to (c) and (d) findings, The Code of Conduct Casebook only contains the summaries of those cases for which the hearings by the standards committee or Adjudication Panel for Wales have been concluded and the outcome of the hearing is known. This edition covers October to December 2016.

Case summaries

No evidence of breach

Powys County Council - Integrity

Case Number 201601829 – Report issued in June 2017

A complaint was received that Councillor B of Powys County Council may have breached the Code of Conduct for members (relating to bringing their office or authority into disrepute) when, acting as Portfolio Holder for Education, she did not take sufficient action to address the fact that a High School (“the School”) was continuing to subsidise home to school transport for out of catchment pupils in contravention of the Council’s Scheme for Financing Schools (“the Scheme”).

The Ombudsman found that Councillor B had acted in good faith in inviting the School to make a case for amending the Scheme, with the intention that the Scheme would then either be amended or enforced. Unfortunately, the School failed to provide the necessary information. Whilst Councillor B could be criticised for not pursuing the matter, there were mitigating circumstances why she could not do so personally. Accordingly, the Ombudsman found that there was no evidence that Councillor B had breached the Code.

Powys County Council - Integrity

Case Number 201602895 - Report issued in June 2017

A complaint was received that Councillor E of Powys County Council may have breached the Code of Conduct for members (relating to bringing their office or authority into disrepute) when, acting as a Governor of a High School (“the School”) he did not take sufficient action to address the fact that the School was continuing to subsidise home to school transport for out of catchment pupils in contravention of the Council’s Scheme for Financing Schools (“the Scheme”).

The Ombudsman found that Councillor E had been acting in the genuinely held belief that the Council either knew that the School was not complying with the Scheme, or should have known from information available to it, and was taking no action. The Ombudsman could understand in those circumstances why Councillor E reached the view (rightly or wrongly) that the Council was endorsing what the School was doing. The Ombudsman concluded that Councillor E had acted in good faith on the basis of the information available to him and there was therefore no evidence that he had breached the Code.

Powys County Council - Integrity

Case Number 201601962 - Report issued in June 2017

A complaint was received that former Councillor A of Powys County Council may have breached the Code of Conduct for members (relating to bringing their office or authority into disrepute) when, acting as a Governor of a High School (“the School”) he did not take sufficient action to address the fact that the School was continuing to subsidise home to school transport for out of catchment pupils in contravention of the Council’s Scheme for Financing Schools (“the Scheme”).

The Ombudsman found that former Councillor A had been acting in the genuinely held belief that the Council either knew that the School was not complying with the Scheme, or should have known from information available to it, and was taking no action. The Ombudsman could understand in those circumstances why former Councillor A reached the view (rightly or wrongly) that the Council was endorsing what the School was doing. The Ombudsman concluded that former Councillor A had acted in good faith on the basis of the information available to him and there was therefore no evidence that he had breached the Code.

Powys County Council - Report issued in June 2017

Case Number 201601967 - Integrity

A complaint was received that Councillor C of Powys County Council may have breached of the Code of Conduct for members (relating to bringing their office or authority into disrepute) when, acting as a Governor of a High School ("the School") he did not take sufficient action to address the fact that the School was continuing to subsidise home to school transport for out of catchment pupils in contravention of the Council's Scheme for Financing Schools ("the Scheme").

The Ombudsman found that Councillor C had been acting in the genuinely held belief that the Council either knew that the School was not complying with the Scheme, or should have known from information available to it, and was taking no action. The Ombudsman could understand in those circumstances why Councillor C reached the view (rightly or wrongly) that the Council was endorsing what the School was doing. The Ombudsman concluded that Councillor C had acted in good faith on the basis of the information available to him and there was therefore no evidence that he had breached the Code.

Powys County Council - Integrity

Case Number 201601968 - Report issued in June 2017

A complaint was received that Councillor D of Powys County Council may have breached of the Code of Conduct for members (relating to bringing their office or authority into disrepute) when, acting as a Governor of a High School ("the School") he did not take sufficient action to address the fact that the School was continuing to subsidise home to school transport for out of catchment pupils in contravention of the Council's Scheme for Financing Schools ("the Scheme").

The Ombudsman found that Councillor D had been acting in the genuinely held belief that the Council either knew that the School was not complying with the Scheme, or should have known from information available to it, and was taking no action. The Ombudsman could understand in those circumstances why Councillor D reached the view (rightly or wrongly) that the Council was endorsing what the School was doing. The Ombudsman concluded that Councillor D had acted in good faith on the basis of the information available to him and there was therefore no evidence that he had breached the Code.

No action necessary

Bridgend County Borough Council – Promotion of equality and respect

Case Number 201603705 – Report issued in April 2017

The Ombudsman considered a complaint that a member of Bridgend County Borough Council (“the Councillor”) breached the Code of Conduct for elected members (“the Code”) by manner in which the Councillor approached a member of the public undertaking her employment duties. The Ombudsman investigated that the Councillor had brought herself, her office and the Council into disrepute through her manner.

The Ombudsman found that the Councillor’s actions were in breach of the Code, in relation to the complaint that the Councillor had brought herself into disrepute through her actions. However since the Councillor apologised for her actions, the Ombudsman did not consider that the circumstances warranted any further action. Since the Councillor was acting in a purely personal capacity and there was no involvement of the Council, the Ombudsman did not consider that the Councillor had brought her office or the Council into disrepute.

The Ombudsman’s finding was that no action needed to be taken in respect of the matter investigated.

Powys County Council – Disclosure and registration of interests

Case Number 201505874 - Report issued in April 2017

The Ombudsman considered a complaint that a member of Powys County Council (“the Councillor”) breached the Code of Conduct for elected members (“the Code”) by failing to disclose a personal and prejudicial interest at various Council meetings, during which a School Modernisation Programme was discussed and that the Councillor continued to take part in meetings following a decision by the Council’s Standards Committee not to grant him dispensation to do so.

The Ombudsman found that the Councillor’s actions were in breach of the Code, however as his involvement at the meetings he attended did not significantly alter the outcome of the Council’s discussion, it was not in the public interest to pursue the matter further.

The Ombudsman’s finding was that no action needed to be taken in respect of the matter investigated.

Saltney Town Council - Disclosure and registration of interests

Case Number 201606253 - Report issued in May 2017

The Ombudsman considered a complaint that a member of Saltney Town Council (“the Councillor”) had breached the Code of Conduct for elected members. It was alleged that the Councillor had voted on a matter in which they had a personal and prejudicial interest without obtaining an appropriate dispensation from the County Council’s Standards Committee. The member concerned had obtained a dispensation from the Standards Committee which allowed her to speak about the matter. However, the dispensation did not allow her to vote.

The Ombudsman considered the minutes from the relevant meeting and found that it was recorded that the Councillor had voted. He also considered correspondence from the Councillor in which she

acknowledged that she should not have cast a vote at the meeting. The Councillor had also formally apologised for this error of judgement in the next Town Council meeting.

The Ombudsman accepted the explanation and apology provided by the Councillor and, whilst recognising that the intentional disregard of the Standards Committee by the Councillor was concerning, he was of the view that the Councillor's actions were of limited consequence and it was not in the public interest to pursue the matter further.

The Ombudsman's finding was that no action needed to be taken in respect of the matters investigated. However, the Councillor was advised that this matter would be taken into account if any future complaints of a similar nature were received.

Torfaen County Borough Council – Promotion of equality and respect
Case Number 201601551 – Report issued in June 2017

The Ombudsman received a complaint that a member of Torfaen County Borough Council had breached the Code of Conduct by using inflammatory and disrespectful language on a public social media page. During the course of the investigation an election took place and the member concerned was not re-elected. The Ombudsman decided that it was not in the public interest to take further action on the matters which were investigated.

Referred to Standards Committee

Powys County Council - Integrity

Case Number 201504317 – Report issued in October 2016

Councillor X of Powys County Council referred himself to the Ombudsman on the advice of the Council's Monitoring Officer on the basis that he may have breached the members' Code of Conduct.

Councillor X, who manages a livestock farm, reported that he may have brought his office and the authority into disrepute when he was prosecuted by Powys County Council under the Cattle Identification (Wales) Regulations 2007 (for failing to maintain accurate cattle records) and the Animal By-Products (Wales) Regulations 2014 (for failing to promptly dispose of animal carcasses). Councillor X pleaded guilty to six charges and received a criminal conviction.

The Ombudsman obtained evidence from Powys County Council and Councillor X was formally interviewed. The Ombudsman found that there was evidence to suggest that Councillor X may have breached the Code of Conduct and referred the matter for consideration by the Council's Standards Committee.

On 13 March 2017, the Council's Standards Committee found that Councillor X had breached the members' Code of Conduct. He was suspended from being a Councillor for two weeks and it was recommended that he undertake additional training on the Council's Code of Conduct.

The decision of the Standards Committee can be found [here](#).

Powys County Council – Integrity

Case Number 201504433 – Report issued in October 2016

Councillor Y of Powys County Council referred himself to the Ombudsman on the advice of the Council's Monitoring Officer on the basis that he may have breached the Code of Conduct.

Councillor Y, who manages a livestock farm, reported that he may have brought his office and the authority into disrepute when he was prosecuted by Powys County Council under the Cattle Identification (Wales) Regulations 2007 for failing to maintain accurate cattle records. Councillor Y pleaded guilty to eight charges and received a criminal conviction.

The Ombudsman obtained evidence from Powys County Council and Councillor Y was formally interviewed. The Ombudsman found that there was evidence to suggest that Councillor Y may have breached the Code of Conduct and referred the matter for consideration by the Council's Standards Committee.

On 15 March 2017, the Council's Standards Committee found that Councillor Y had breached the members' Code of Conduct. He was suspended from being a Councillor for four weeks and it was recommended that he undertake additional training on the Council's Code of Conduct.

The decision of the Standards Committee can be found [here](#).

Referred to Adjudication Panel for Wales

Cardiff Council – Promotion of equality and respect

Case Number 201502858

The Ombudsman received a complaint from the Monitoring Officer of Cardiff Council (“the Council”) on behalf of a member of Cardiff Council. The Monitoring Officer said that another member of the Council (“the Councillor”) had brought the Council into disrepute by the manner in which he conducted himself following a court hearing at Cardiff Civil Justice Centre (“the Court”) on 23 July 2015. The investigation considered whether the Councillor had breached the Code of Conduct (“the Code”).

The focus of the investigation was on whether an alleged comment made by the Councillor regarding a Council restructure was directed towards a Council officer in a threatening manner. At interview, the Councillor accepted that he made the comment, but he said that the comment was directed towards his constituent whom he was representing at the Court hearing. He accepted that it was overheard by others.

The Ombudsman’s Director of Investigations decided to refer the investigation report to the President of the Adjudication Panel for Wales (“the Panel”) because the evidence gathered suggested that the Councillor did not show the Council officer respect and consideration in breach of the Code. He also considered that if the Panel was satisfied that the Councillor’s comment amounted to threatening behaviour towards the Council officer, his conduct was also suggestive of a breach of the Code.

The Panel decided that the Councillor had not brought either the office of Councillor or the Council into disrepute, as his conduct was not in a public area of the Court and was witnessed by only a few people. The Panel decided that the Councillor failed to show respect and consideration to the Council officer and did use bullying behaviour towards the Council officer.

The Panel concluded that the Councillor had breached the Code of Conduct and should be suspended as a member of the Council for a period of one month, or, if shorter, the remainder of his term of office.

The decision of the Adjudication Panel for Wales can be found [here](#).

More information

We value any comments or feedback you may have regarding The Code of Conduct Casebook. We would also be happy to answer any queries you may have regarding its contents. Any such correspondence can be emailed to Matthew.Aplin@ombudsman-wales.org.uk or Lucy.John@ombudsman-wales.org.uk or sent to the following address:

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Further information about the service offered by the Public Services Ombudsman for Wales can also be found at www.ombudsman-wales.org.uk



Report of the Monitoring Officer

Standards Committee - 13 October 2017

Breach of Code of Conduct - Complaints made to the Public Services Ombudsman for Wales (PSOW)

| Name of Council | Date Received | Ombudsman Reference | Description | Current Status |
|---------------------------|----------------------|----------------------------|---------------------------------------|-----------------------------|
| Mumbles Community Council | 05.07.2017 | 201701996 | Alleged Breach of the Code of Conduct | Ombudsman not Investigating |
| Mumbles Community Council | 05.07.2017 | 201702134 | Alleged Breach of the Code of Conduct | Ombudsman not Investigating |
| Mumbles Community Council | 12.07.2017 | 201702129 | Alleged Breach of the Code of Conduct | Ombudsman not Investigating |
| Swansea Council | 03.08.2017 | 201702729-31 | Alleged Breach of the Code of Conduct | Ombudsman not Investigating |

Agenda Item 9



Report of the Head of Legal, Democratic Services & Business Intelligence

Standards Committee – 13 October 2017

Exclusion Of The Public

| | | |
|---------------------------|--|--|
| Purpose: | To consider whether the Public should be excluded from the following items of business. | |
| Policy Framework: | None. | |
| Consultation: | Legal. | |
| Recommendation(s): | It is recommended that: | |
| 1) | The public be excluded from the meeting during consideration of the following item(s) of business on the grounds that it / they involve(s) the likely disclosure of exempt information as set out in the Paragraphs listed below of Schedule 12A of the Local Government Act 1972 as amended by the Local Government (Access to Information) (Variation) (Wales) Order 2007 subject to the Public Interest Test (where appropriate) being applied. | |
| | Item No. | Relevant Paragraphs in Schedule 12A |
| | 10 | 12 & 13 |
| Report Author: | Democratic Services | |
| Finance Officer: | Not Applicable | |
| Legal Officer: | Tracey Meredith – Head of Legal, Democratic Services & Business Intelligence(Monitoring Officer) | |

1. Introduction

- 1.1 Section 100A (4) of the Local Government Act 1972 as amended by the Local Government (Access to Information) (Variation) (Wales) Order 2007, allows a Principal Council to pass a resolution excluding the public from a meeting during an item of business.
- 1.2 Such a resolution is dependant on whether it is likely, in view of the nature of the business to be transacted or the nature of the proceedings that if members of the public were present during that item there would be disclosure to them of exempt information, as defined in section 100I of the Local Government Act 1972.

2. Exclusion of the Public / Public Interest Test

- 2.1 In order to comply with the above mentioned legislation, Cabinet will be requested to exclude the public from the meeting during consideration of the item(s) of business identified in the recommendation(s) to the report on the grounds that it / they involve(s) the likely disclosure of exempt information as set out in the Exclusion Paragraphs of Schedule 12A of the Local Government Act 1972 as amended by the Local Government (Access to Information) (Variation) (Wales) Order 2007.
- 2.2 Information which falls within paragraphs 12 to 15, 17 and 18 of Schedule 12A of the Local Government Act 1972 as amended is exempt information if and so long as in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.
- 2.3 The specific Exclusion Paragraphs and the Public Interest Tests to be applied are listed in **Appendix A**.
- 2.4 Where paragraph 16 of the Schedule 12A applies there is no public interest test. Councillors are able to consider whether they wish to waive their legal privilege in the information, however, given that this may place the Council in a position of risk, it is not something that should be done as a matter of routine.

3. Financial Implications

- 3.1 There are no financial implications associated with this report.

4. Legal Implications

- 4.1 The legislative provisions are set out in the report.
- 4.2 Councillors must consider with regard to each item of business set out in paragraph 2 of this report the following matters:
 - 4.2.1 Whether in relation to that item of business the information is capable of being exempt information, because it falls into one of the paragraphs set out in Schedule 12A of the Local Government Act 1972 as amended and reproduced in Appendix A to this report.
 - 4.2.2 If the information does fall within one or more of paragraphs 12 to 15, 17 and 18 of Schedule 12A of the Local Government Act 1972 as amended, the public interest test as set out in paragraph 2.2 of this report.
 - 4.2.3 If the information falls within paragraph 16 of Schedule 12A of the Local Government Act 1972 in considering whether to exclude the public members are not required to apply the public interest test but must consider whether they wish to waive their privilege in relation to that item for any reason.

Background Papers: None.

Appendices: Appendix A – Public Interest Test.

Public Interest Test

| No. | Relevant Paragraphs in Schedule 12A |
|-----------|---|
| 12 | Information relating to a particular individual. |
| | <p>The Proper Officer (Monitoring Officer) has determined in preparing this report that paragraph 12 should apply. Their view on the public interest test was that to make this information public would disclose personal data relating to an individual in contravention of the principles of the Data Protection Act. Because of this and since there did not appear to be an overwhelming public interest in requiring the disclosure of personal data they felt that the public interest in maintaining the exemption outweighs the public interest in disclosing the information. Members are asked to consider this factor when determining the public interest test, which they must decide when considering excluding the public from this part of the meeting.</p> |
| 13 | Information which is likely to reveal the identity of an individual. |
| | <p>The Proper Officer (Monitoring Officer) has determined in preparing this report that paragraph 13 should apply. Their view on the public interest test was that the individual involved was entitled to privacy and that there was no overriding public interest which required the disclosure of the individual's identity. On that basis they felt that the public interest in maintaining the exemption outweighs the public interest in disclosing the information. Members are asked to consider this factor when determining the public interest test, which they must decide when considering excluding the public from this part of the meeting.</p> |
| 14 | Information relating to the financial or business affairs of any particular person (including the authority holding that information). |
| | <p>The Proper Officer (Monitoring Officer) has determined in preparing this report that paragraph 14 should apply. Their view on the public interest test was that:</p> <ul style="list-style-type: none"> a) Whilst they were mindful of the need to ensure the transparency and accountability of public authority for decisions taken by them in relation to the spending of public money, the right of a third party to the privacy of their financial / business affairs outweighed the need for that information to be made public; or b) Disclosure of the information would give an unfair advantage to tenderers for commercial contracts. <p>This information is not affected by any other statutory provision which requires the information to be publicly registered.</p> <p>On that basis they felt that the public interest in maintaining the exemption outweighs the public interest in disclosing the information. Members are asked to consider this factor when determining the public interest test, which they must decide when considering excluding the public from this part of the meeting.</p> |
| | |

| No. | Relevant Paragraphs in Schedule 12A |
|-----|--|
| 15 | <p>Information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or office holders under, the authority.</p> |
| | <p>The Proper Officer (Monitoring Officer) has determined in preparing this report that paragraph 15 should apply. Their view on the public interest test was that whilst they are mindful of the need to ensure that transparency and accountability of public authority for decisions taken by them they were satisfied that in this case disclosure of the information would prejudice the discussion in relation to labour relations to the disadvantage of the authority and inhabitants of its area. On that basis they felt that the public interest in maintaining the exemption outweighs the public interest in disclosing the information. Members are asked to consider this factor when determining the public interest test, which they must decide when considering excluding the public from this part of the meeting.</p> |
| 16 | <p>Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.</p> |
| | <p>No public interest test.</p> |
| 17 | <p>Information which reveals that the authority proposes: (a) To give under any enactment a notice under or by virtue of which requirements are imposed on a person; or (b) To make an order or direction under any enactment.</p> |
| | <p>The Proper Officer (Monitoring Officer) has determined in preparing this report that paragraph 17 should apply. Their view on the public interest test was that the authority's statutory powers could be rendered ineffective or less effective were there to be advanced knowledge of its intention/the proper exercise of the Council's statutory power could be prejudiced by the public discussion or speculation on the matter to the detriment of the authority and the inhabitants of its area. On that basis they felt that the public interest in maintaining the exemption outweighs the public interest in disclosing the information. Members are asked to consider this factor when determining the public interest test, which they must decide when considering excluding the public from this part of the meeting.</p> |
| 18 | <p>Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime</p> |
| | <p>The Proper Officer (Monitoring Officer) has determined in preparing this report that paragraph 18 should apply. Their view on the public interest test was that the authority's statutory powers could be rendered ineffective or less effective were there to be advanced knowledge of its intention/the proper exercise of the Council's statutory power could be prejudiced by public discussion or speculation on the matter to the detriment of the authority and the inhabitants of its area. On that basis they felt that the public interest in maintaining the exemption outweighs the public interest in disclosing the information. Members are asked to consider this factor when determining the public interest test, which they must decide when considering excluding the public from this part of the meeting.</p> |

Agenda Item 10

By virtue of paragraph(s) 12, 13 of Schedule 12A
of the Local Government Act 1972
as amended by the Local Government (Access to
Information) (Variation) (Wales) Order 2007.

Document is Restricted

By virtue of paragraph(s) 12, 13 of Schedule 12A
of the Local Government Act 1972
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Information) (Variation) (Wales) Order 2007.

Document is Restricted