



# **Cynulliad Cenedlaethol Cymru** **The National Assembly for Wales**

## **Y Pwyllgor Cyllid** **The Finance Committee**

**Dydd Iau, 6 Hydref 2011**  
**Thursday, 6 October 2011**

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Cofnodir y trafodion hyn yn yr iaith y llefarwyd hwy ynndi yn y pwyllgor. Yn ogystal,  
cynhwysir cyfieithiad Saesneg o gyfraniadau yn y Gymraeg.

These proceedings are reported in the language in which they were spoken in the committee.  
In addition, an English translation of Welsh speeches is included.

**Aelodau'r pwyllgor yn bresennol****Committee members in attendance**

Peter Black	Democratiaid Rhyddfrydol Cymru Welsh Liberal Democrats
Christine Chapman	Llafur Labour
Jocelyn Davies	Plaid Cymru (Cadeirydd y Pwyllgor) The Party of Wales (Committee Chair)
Paul Davies	Ceidwadwyr Cymreig Welsh Conservatives
Mike Hedges	Llafur Labour
Ann Jones	Llafur Labour
Ieuan Wyn Jones	Plaid Cymru The Party of Wales
Julie Morgan	Llafur Labour

**Eraill yn bresennol****Others in attendance**

Angela Burns	Aelod Cynulliad, Ceidwadwyr Cymreig (Comisiynydd y Cynulliad) Assembly Member, Welsh Conservatives (Assembly Commissioner)
Susan Hudson	Rheolwr Polisi a Chyfathrebu, Swyddfa Ombwdsmon Gwasanaethau Cyhoeddus Cymru Policy and Communications Manager, Office of the Public Services Ombudsman for Wales
Malcolm MacDonald	Cynghorydd Ariannol, Swyddfa Ombwdsmon Gwasanaethau Cyhoeddus Cymru Financial Advisor, Office of the Public Services Ombudsman for Wales
Peter Tyndall	Ombwdsmon Gwasanaethau Cyhoeddus Cymru Public Services Ombudsman for Wales

**Swyddogion Cynulliad Cenedlaethol Cymru yn bresennol****National Assembly for Wales officials in attendance**

Claire Clancy	Prif Weithredwr a Chlerc y Cynulliad Chief Executive and Clerk of the Assembly
Dan Collier	Dirprwy Glerc Deputy Clerk
Tom Jackson	Clerc Clerk
Sue Morgan	Cynghorydd Cyfreithiol Legal Adviser
Steve O'Donoghue	Pennaeth Adnoddau'r Cynulliad Head of Assembly Resources

*Dechreuodd y cyfarfod am 9.31 a.m.*

*The meeting began at 9.31 a.m.*

## **Ymddiheuriadau a Dirprwyon Apologies and Substitutions**

[1] **Jocelyn Davies:** I welcome everyone to a meeting of the Finance Committee. You will note that headsets are available; the translation is on channel 1 and the amplification is on channel 0. Please ensure that all electronic devices are turned off, because they can interfere with the sound equipment. In the event of an emergency, an alarm will sound and the ushers will direct everyone to the nearest safe exit and assembly point. A drill is not expected this morning.

9.32 a.m.

### **Craffu ar Gyllideb Ddrafft Comisiwn y Cynulliad 2012-2013 Scrutiny of Assembly Commission Draft Budget 2012-2013**

[2] **Jocelyn Davies:** Members will note that Peter Black is a member of this committee, but he is also a Commissioner and has therefore absented himself for this item. He will return to us for the next item.

[3] I welcome our witnesses today. Would you like to introduce yourselves and make any opening remarks, before we start with the questions?

[4] **Angela Burns:** My name is Angela Burns and I am the Assembly Commissioner with responsibility for finance and resources within the Commission. On behalf of the Assembly Commission, I thank you for this opportunity to explain our budget proposals. As Chief Executive and Clerk of the Assembly and principal accounting officer, I am sure that you need no introduction to Claire Clancy, but some of you may not have met Steve O'Donoghue who is head of Assembly resources. We are here to answer your questions and to demonstrate that this Commission is intent on operating with complete transparency. If you ask for detail today that we do not have to hand, I can assure you, Chair, that it will be with you by tomorrow.

[5] As Assembly Members, we are all concerned with outcomes. We want to ensure that delivery is achieved in the most efficient and cost-effective manner. The same rings true for the Commission: we have a number of goals, but they all lead to one overriding outcome for the Assembly, which is that, by the end of the fourth Assembly, this parliamentary body will be cemented into the hearts and minds of the people of Wales. In 2016, when we walk the streets of Wales, we do not want to hear people saying that they did not know that there was an election, that they do not like the Assembly and just see it as bureaucracy, or that they have no idea of what we do as compared to Westminster. We have additional powers and responsibility for huge sums of money; we impact on the lives of the people of Wales in very personal ways—in health, education and jobs—and we are absolutely accountable to them. It is the task of this Commission to ensure that you, the elected Members who constitute the parliamentary body, have the outstanding support that you need to deliver on this. It is more important than ever that Assembly Members have the tools at their disposal to hold the Government and other public bodies to account. To cement our position, we believe that we must lead, not follow, raise the bar and have the sharpest possible levels of scrutiny.

[6] It is our task as a Commission to provide you not only with that outstanding parliamentary support, but also to engage with the people of Wales and the wider national and international community, while using all of our resources in the most wise and effective way possible. We intend to invest in Members and their staff, in Assembly staff and in the Assembly estate to ensure that we achieve those goals and our primary outcome. However, we are mindful of the economic landscape that we are in, and we believe that we have

constructed a budget for this Assembly term that will enable us to do that. We are happy to take your questions.

[7] **Jocelyn Davies:** Thank you very much for that, Commissioner. You mentioned some of the reasons why you have based your budget on the priorities in terms of raised expectations following the referendum and so on. Can you expand on the increased demand for legal, procedural and research advice and how that will translate into a better service for Assembly Members so that they are better able to serve the people whom they represent?

[8] **Angela Burns:** Thank you for that question. It is fair to say that, in the third Assembly, the Commission stripped back the budget. That is what we asked it to do. We were on the edge of the recession and it pared the Assembly down to a fairly good level. We now operate in a different landscape. We need more parliamentary support, for example, more people in the Members' research service. We already have a couple of vacant posts for people with high levels of expertise, namely the kind of people who support you in this committee. The committees need to have a strong power behind them in terms of people who know the scrutiny and legislative processes. We need more lawyers—I know that no-one ever likes lawyers—

[9] **Jocelyn Davies:** Present company excepted, of course. [*Laughter.*]

[10] **Angela Burns:** Absolutely. We have very good Assembly lawyers, but we are now talking about Bills as opposed to Measures and we also now have responsibility for subsidiarity issues from the European Union, so there is a lot of extra stuff that we need to do. I do not know whether either of you want to add to that, Claire or Steve.

[11] **Mrs Clancy:** If I may use committees as an example, we have our new committee structure and the new committee Chairs are already coming to us and asking to do more and to stretch what they are doing in terms of scrutiny. For example, they are asking for additional, or maybe original research, to complement the work that our research service can do, and for expert advisers. They want to take committees out beyond Cardiff into other parts of Wales, to ensure that Members can listen to people in Wales, and, possibly, try out new ways of operating as committees with the reference groups and so forth. This is an emerging picture. As a Commission, we want to be in a position to be able to respond to that and for the resources to be there for committees to do exactly what they believe that they need to do to hold the Government to account, make good legislation and represent people in Wales.

[12] **Jocelyn Davies:** I know that Ann, bringing in her experience as a committee Chair, wants to ask a supplementary question.

[13] **Ann Jones:** I wanted to pick up on that, because, in the third Assembly, committees wanted to go out of the Senedd and did so and that was contained within the budget. So, I do not see why you are using that as an example now and saying that committees will go out in this Assembly. Committees have always gone out although the timetable sometimes makes it difficult.

[14] On the issue of legal services, I think that there should be more lawyers. It was silly to have just one lawyer, the head of the Legal Service, looking at all the Measures and all the legislative competence Orders in the last Assembly. As someone who has experience of taking an LCO forward and then a Measure—probably the only backbencher to have done so—I know the pressure that was put on the lawyers. People have to realise that Government lawyers are different to Assembly lawyers.

[15] However, we have been taking committees out and I think that you are overegging it by saying that we will be taking them out in this term and that that is why you want more

money in the budget.

[16] **Mrs Clancy:** Of course, we have taken committees out and some of the great work that was done by committees on, for example, sustainability, used the Assembly bus the last time around. It is a question of scale and scope. Some committees did it and did it effectively, but by no means all. There is a resource implication when it happens. I do not want to overegg it; it is a small example—

[17] **Ann Jones:** But it is an example of something that we were already doing, is it not? So, it is not a good example. If you are asking for additional money, surely you are looking for additional money for an additional service, and that is not an additional service, because it has always existed and been provided for.

[18] **Mrs Clancy:** That is a fair point in terms of quite a lot of what we are saying, because I would not want anything that I or the Commissioner said to imply that the services that have gone before were, in any way, deficient or did not meet the needs of the committees. That is not true at all, but we are trying to raise the bar to ensure that we are able to be responsive, given the full powers that the Assembly now has, and meet the expectations of committees. I am not in any way saying that these things were not done before. Expert advice has always been available, but the procedure for calling in that expert advice has, perhaps, been a bit clunky and difficult and, as a consequence, not many committees have made use of it, so the budget has probably been underspent. It is just a case of being slicker about this, and raising our game on these things, which, yes, we have done before.

[19] **Jocelyn Davies:** Obviously, we had some examples there, and it appears that some Members will take more convincing than others that these are genuine increases that are required, although I do accept the changing context that we are now in. What discussions have you had with Assembly Members, apart from committee Chairs, about their needs?

[20] **Angela Burns:** We have looked at the outcome that we wanted to achieve when we sat down and decided on our strategy for the next five years. We have engaged with Assembly Members on an individual basis. We tried to pull together a fairly large briefing session with questions a few weeks ago, but it had to be cancelled because so many Assembly Members had different appointments in the evenings, because of cross-party groups and all the rest of it. However, we have put into place, and are just fleshing out, a strong programme of Assembly Member engagement. One thing that has come across strongly is that Members in the last Assembly did not feel engaged with, and did not feel part of the decision-making process on a whole raft of the funds under their control, and a whole raft of the things that they would like to see achieved. We want to have Assembly Member engagement evenings, and we have a number of questionnaires that will be going out to Assembly Members. For example, in the Senedd yesterday, one of the questions asked was about stationery procurement. This was something that was visited upon us by a review in 2009. I do not think that there is a huge amount of happiness about it, but we are six months in to this fourth Assembly next month, and we intend to go out to ask all Assembly Members for their input and feedback. We have been talking quite a lot about what we can do about the UNO project—the lessons that we have learned from it, what is still wrong with it, and how we can ensure that we finish that project off, so that Members do not feel that it is an impediment to them doing their work, but something that aids them. I know from my own experience that, under the old system, my computer at home was always on, and it was so easy—I could just sit down and log straight in. Now there is the hassle of trying to log in, so I find that I do less on my computer at home—it is far more about the reading now; it has fundamentally changed how I work. I know that that is reflected in the experiences of the other 59 Members. We intend to engage far more, and the voice of the Assembly Member will be heard in this fourth term.

[21] **Jocelyn Davies:** Paul, you wanted to come in on this point.

[22] **Paul Davies:** I just want to clarify the engagement process. Are you telling me that you have not formally engaged or consulted with Assembly Members until now?

[23] **Angela Burns:** Not in this fourth Assembly, since May. As I say, we had an event that was planned, but which we had to cancel. It is a question of timing. However, we talk to people, we try to get out to seek their opinions, and we have a strong engagement process. I have to say that engagement is two-way; we did quite a big scoping exercise on people's opinions on the UNO project in the third Assembly, and the response was actually very poor. There were a few of us battle-hardened warriors who made sure that our voices were heard, but not anyone else. It has to be a two-way engagement.

[24] **Jocelyn Davies:** Which commissioner is responsible for engagement with Assembly Members?

[25] **Angela Burns:** I think that that might be me.

[26] **Jocelyn Davies:** Does anyone else want to come in with a supplementary question on that?

[27] **Mike Hedges:** Briefly, you mentioned IT systems. Without boring people for any length of time, I find the current IT system to be fundamentally unstable, and not just in the office, where you say, 'well, we are sending things a long way along cables'—it seems to be easier to access things in America than from this Assembly. There is a whole range of issues. For example, the signature on my e-mails appears and disappears fairly randomly; the printer that I print to also appears to be fairly random. These are simple things that should be put right fairly quickly. I do not think that I am the only one who suffers from those two little problems. They do not cause me any huge upset, but they are little problems in the system.

9.45 a.m.

[28] **Jocelyn Davies:** I am sure that every Member could raise similar issues. I printed out letters about constituents in the constituency office, which printed out on a machine in this building that was not mine. So, confidential information about a member of the public went to someone else's office. They were kind enough to bring to bring it down to our corridor, but that could have been very embarrassing.

[29] **Angela Burns:** May I comment on that?

[30] **Jocelyn Davies:** Yes.

[31] **Angela Burns:** I will just make one comment; I will not talk about the detail. Mike Hedges, you have neatly reinforced for me a decision that we made about investment. One of the investments that we wish to make in this Assembly term is to employ an experienced IT professional. I used to run an IT company. The things that went wrong were the result of our being naive users. We said what we wanted and we allowed the people who delivered the system to write the scope for us and then to say how they would deliver it without there being proper service level agreements in place, among other things. We will work our way through this, but we need to get smarter and sharper, and one of the investments that we need to make is to have someone who understands how these systems work, has bought systems, has contracted them and scoped them, and then managed them. That will give us long-term savings, not just with regard to making sure that we are buying in the right technology—because we need new technology right across the Assembly estate—but also making the right savings in terms of your time, which is incredibly valuable.

[32] **Jocelyn Davies:** I do not think that Mike Hedges was trying to give the impression that the contract that we have now is cheap; he just said that it is unstable. Those two things are not necessarily the same.

[33] **Angela Burns:** No, I agree.

[34] **Jocelyn Davies:** Mike, you now wish to ask your next question.

[35] **Mike Hedges:** Yes. I am sure that we would all agree that we would like people to have a much higher opinion of the Assembly by the next election—not necessarily a higher opinion of us as individuals, but the Assembly as the governing body in Wales. How is performance currently measured in terms of engaging with the people of Wales and promoting Wales, and what are the plans to improve the monitoring of success?

[36] **Angela Burns:** I will ask Steve to comment on the benchmarking processes that we use for reporting systems. However, ultimately, it is about outcomes and goals. We have been absolutely crystal clear about our primary outcome: that, by 2016, there is no doubt in anyone's mind about the Assembly and the part that it plays in Welsh life and the life of the United Kingdom. That is probably the golden outcome that we would all be measured on. In order to achieve that outcome, we have a series of goals in place, which range from providing outstanding parliamentary support through to leading by example.

[37] It is difficult to quantify, is it not? However, I will give you an example. I could save £90,000 from this budget in a second by cutting the six apprentice schemes that we have. We pay six people £15,000 each per year to come to be apprentices in the National Assembly. However, we think that that is a good value thing to do. We go out and say to businesses that we want them to lead by example, get apprentices, create jobs, and help to turn around the economy, but we also do it here ourselves. So, we have soft benchmarking that demonstrates to public service and business in Wales what we are developing and what we are asking of them.

[38] On top of that soft outcome monitoring and benchmarking, we have some robust methods of ensuring that we have achieved our goals, and you can see that through savings and investment. Steve, perhaps you could talk about some of the methodology that we use.

[39] **Mr O'Donoghue:** I would be happy to. We have quite an established framework for service planning and performance management. The communications and front of house team has put in place a range of objectives and outcomes that deliver the Commission's goals. I will give you some examples about how we engage with the public. We have the Assembly bus, which has already been mentioned, which takes the Assembly out across Wales. It was a great way of reducing the costs that we were incurring at some of the summer shows, where we used to put up huge tents. Instead, we now drive the bus in and use that as a base.

[40] The wonderful Siambr Hywel is also used for youth debating, so the youth can come in and see how the Assembly works and participate in that. It is the first youth debating chamber in the world, which is pretty ground-breaking stuff.

[41] The Assembly also invested last year in reopening the Pierhead building, which attracted over 100,000 visitors in its first year. It provides another wonderful opportunity to promote the work that the Assembly does, and it also protects and enhances the iconic building that we have out there.

[42] In terms of measures, the communications team measures a huge range of statistics, and we can provide the committee with that range. It varies from how many people visit the

bus, the Pierhead, the Senedd, how many people access our website, use Flickr, Twitter and Facebook—I will not list them all. So, we have a lot of data. On top of that, a survey was done back in 2008 by Aberystwyth University for us that measured people's perceptions about the National Assembly for Wales. When we retest that in due course, we will want to see an improvement in the results that that survey provided.

[43] **Jocelyn Davies:** Julie Morgan, did you want to come in on this point?

[44] **Julie Morgan:** Angela, you talked about promoting the Assembly in Wales and in the UK. How do you promote the Assembly in the UK, and how much of the budget does that take?

[45] **Angela Burns:** The short answer is that we have not started yet, because this is our plan for the next five years and we need the authority to go ahead to deliver it on behalf of the National Assembly. However, in terms of our engagement, it is about leading by example. When we go through our budget and talk about the investment side, we will talk about some of the things that we are trying to achieve. In terms of the accounting and financial delivery of our Assembly resources, we are looking to be the lead public service in Wales in how we do that. It is about getting that kind of recognition for the Assembly. Will it resonate in the UK or nationally? That is what we are going to try to achieve. People always talk about what the Scottish Parliament does and about its processes, and I know that committees are always going up to Scotland to look at how things are operating there. We want to build upon and strengthen that skill. We can only do that by investing, so that we become a benchmark for other parliamentary organisations.

[46] The Wales Audit Office did a comparison exercise on us, and said that we are one of the best public sector deliverers in Wales. Again, that is something that we can use to promote ourselves. It is very soft stuff, but it is about strengthening our foothold. The first three Assemblies made the footprint, but we must now cement that in, stand firm and get that name through.

[47] **Jocelyn Davies:** Three Members want to come in with supplementary questions, but we are only on question 2 and we are nearly half an hour in. So, I would be very grateful if Members and the answers could be brief.

[48] **Christine Chapman:** Julie mentioned promoting Wales within the UK, but what about within Europe? As you know, I am a member of the Committee of the Regions, so I get the opportunity to speak to other regional bodies and it is good to profile Wales. It is not just within Europe but also internationally. We have to do this on a very tight budget—which is right—but how can we be smarter about profiling the Assembly, and trying to do it as efficiently as possible? Unless we do this, we are going to miss a trick.

[49] **Angela Burns:** We do an awful lot of work through the Brussels office, and I know that Claire heads up quite a bit of internationalism.

[50] **Mrs Clancy:** Yes—

[51] **Jocelyn Davies:** We will take a few supplementary questions and then you can answer them. Mike, you wanted to ask something.

[52] **Mike Hedges:** I like your budget; I am not unhappy with it. Who monitors the outcomes? We are putting the money in, but where in the system are the outcomes and the outputs measured? Who is going to check that? It is easy to check the inputs, but who is checking the outputs?



[53] **Jocelyn Davies:** Point well made, Mike.

[54] **Ann Jones:** The answer to my question will probably involve a note to the committee. How do we monitor the education service and the number of schools that are booked in, and how does that work in terms of subsidised transport? There are issues for schools in north Wales—I speak for my constituents—as they cannot get the education tours because schools in south Wales come and then rebook for their next year 5 and so on. If you cannot get the education tour, you cannot get the subsidised transport. So, I would like to look at the equality issues of how schools come in. A note to committee will be fine for that, thank you.

[55] **Angela Burns:** If that is all right, Chair, we will do that, as it is a specific question.

[56] **Ann Jones:** I would like to know who gets all the education tours and who gets the subsidised transport.

[57] **Angela Burns:** Perhaps Claire could deal with how we reach out to the national and international community. I will then touch briefly on how we measure our outcomes.

[58] **Mrs Clancy:** As you know, we have an office in Brussels. Gregg does a great job there. In terms of representation in Europe, we are ahead of the position in Northern Ireland and Scotland and they are looking to work with us and to emulate what we are doing. We also have a programme for international work and an international strategy, working through organisations such as the Commonwealth Parliamentary Association committee and others. The work of the third Assembly has drawn to a natural conclusion on some of the work—like the good work that was done in Lesotho—and now it is for Members of the CPA committee and others to decide what they would like their priorities to be for the coming year. The honest answer to the question of promoting our image and reputation in the UK, Europe and beyond is that we have found it a difficult thing to do. The national media do not tend to be very responsive, so the media team is working on getting those messages across beyond Wales, both in the UK and in Europe.

[59] Shall I start by giving some of the practical details on monitoring the outputs?

[60] **Angela Burns:** Yes. Will you also mention the inter-parliamentary scrutiny process that we recently underwent to ensure that we are providing good value for money compared to Scotland and Westminster?

[61] **Mrs Clancy:** Okay. We have a governance structure in place that requires us to have certain ways of monitoring our performance. That is done on different levels. We have service plans that flow from the Commission's goals, and then we have monthly financial management reports, which are quite detailed, that come to both the management board and, in summary version, to the Commission. It is the management board's primary responsibility, and mine as the accounting officer, to monitor our performance against the budgets that are set and to report on that to the Commission. If, at any point, the Finance Committee wishes to see them, we have always said that you can have copies of our monthly reports or reports for whatever period that you would find useful. In addition to these regular ways of monitoring performance, we have various approaches to benchmarking. As Angela mentioned, we have just completed a programme of external challenge sessions. When I met with representatives from Northern Ireland and Scotland recently, they were bowled over by what we were doing and wanted to copy it. We have brought in independent people from outside—not only our own independent advisers to the Commission, who have a great deal of experience in the public and private sectors, but also experts from other parliaments and elsewhere—to scrutinise each service area. They had a meeting with each of our heads of service and quizzed them about delivery against outcomes and achievement. That has given us some

useful pointers for how we can improve the way that we do things and for efficiency. For example, a committee clerk from the House of Lords was part of the session that examined the way in which we go about business support and services for Members. We had someone from Ireland who heads up their communications set-up looking at how we do communications. We do not want to be complacent and think that we have all the answers—we are going out to get experts to tell us where we need to improve.

10.00 a.m.

[62] **Julie Morgan:** This question is about the savings that you have projected. You have given us a list of places where you think that you will be able to save money. In the past, the committee has found that you have had difficulties in measuring and identifying savings. How definite and robust are these savings?

[63] **Angela Burns:** I assume that you are talking about the table on page 16, which identifies recurring savings and non-recurring savings. They are all hard numbers. The budget that was put forward in the third Assembly was all about delivering strong savings, given the economic landscape that was prevalent at the time. To do that, we felt that it was important to identify and drag out the savings. These are hard and fast savings. For example, the savings on photocopier rental were achieved by renegotiating the contracts for the building. We saved on specialist advice on the environmental side as a number of consultants were coming in to give that advice. We have saved on the catering contract, as you know. We have achieved all sorts of other savings—some of which were not very popular, such as car parking. The savings are cast in stone.

[64] **Mr O'Donoghue:** One of the encouraging things to have come out of the external challenge sessions was the view from our advisers that we are already a lean organisation. That is exemplified in the proposed 2012-13 budget, which is still less than the budget that we had in 2009-10. The Commission has a good track record on delivering savings in every year. However, the committee is right in saying that we have not always been as robust as we could in recording those savings. The study that was undertaken by the Wales Audit Office not so long ago recognised the problem across public services of being clear about what are cash efficiency savings, as opposed to process-type savings. We have a value-for-money programme for Assembly services, which is clear about what an efficiency saving is and when to consider efficiency measures as opposed to making sure that the service that we deliver remains effective. Picking up Ann's point about stationery, Ann has been very honest with me in asking whether the arrangements that we have put in place, despite perhaps delivering the right value, are effective for her as a Member. That emphasises the importance of feedback and engagement with Members so that we can pick up on those issues and get to grips with them.

[65] **Ann Jones:** It is a bit late when it has already been done.

[66] **Julie Morgan:** Could you expand on the anticipated savings from vacancy management?

[67] **Mr O'Donoghue:** The anticipated savings figure of £370,000 is the target that is linked to the value-for-money programme for next year, part of which recognises that there is staff turnover, so, while those posts are vacant, there will be savings. The bigger thrust in this is continually pushing for savings in our budget. There is a cost-aware culture in the Assembly. Yesterday, I was speaking to Gary in the post room, and he was talking about finding cheaper paper for our photocopiers, because the high-quality paper that we are currently using is causing jams. He said that he could find a better paper that will solve the jamming problem while at the same time being cheaper. I really liked that he said, 'You know, because we have to find savings', which I thought was a fantastic way to express the

culture here.

[68] **Jocelyn Davies:** I thought that the paper was jamming because it was cheap, not because it was expensive. Indeed, the new way that we deliver the papers to Members means that if there is a jam in the printer, all the papers have to be printed all over again. So, it could be the last but one page that jams, but you will have to reprint everything. We will all need counselling services because of the changes to do with paper. [*Laughter.*]

[69] **Julie Morgan:** Is there any scope for collaborative working with other public bodies? Have you explored shared-service arrangements?

[70] **Angela Burns:** We have done quite a bit on that. Claire, you have been leading on that quite substantially, have you not?

[71] **Mrs Clancy:** With every contract that we look at, we look at the options for shared services or working with others. There are some specific examples, particularly with regard to secondments. We have a secondment that is about to happen in an area that we want to strengthen, because it is so important to our delivery of services and saving money through procurement. Indeed, we are about to have someone join us from the Environment Agency to head up procurement services. We have also had exchanges and secondments with the Scottish Parliament and others. So, as I think I said to the Finance Committee last year, it is often quite a small way of going about shared services, but it is also quite effective.

[72] I would urge a bit of caution with regard to buying in to other services on some of the core service delivery where it does not necessarily offer value for money or sufficient control over core services. Possibly the biggest example that we have of where we are operating within a shared service-type arrangement is the Merlin contract for the current delivery of information technology. We know the frustrations that that causes in not having enough flexibility and control over the delivery of our services. So, we always look for the opportunities and we often take them, but on quite a low scale.

[73] **Ieuan Wyn Jones:** Yr wyf am ofyn cwestiynau i chi ynglŷn â'r gymhariaeth rhwng y cynnydd yr ydych yn ei ddisgwyl yn eich cyllideb a'r cynnydd cyffredinol yn y gyllideb floc. Os edrychwn ar adrannau'r Llywodraeth, fe welwn gynnydd rhwng 2011-12 a 2012-13 o 0.5 y cant ar yr ochr refeniw. A defnyddio'r gwasanaeth iechyd fel enghraifft, mae'r cynnydd yno'n 1.5 y cant. Mae gostyngiad 3 y cant yng ngweinyddiaeth gwasanaethau canolog y Llywodraeth. Fodd bynnag, y cynnydd mwyaf mewn unrhyw gyllideb, o bell ffordd, yw'r cynnydd yng nghyllideb y Comisiwn: mae ei gyllideb yn cynyddu 6 y cant, ac mae cyllideb gwasanaethau'r Cynulliad yn cynyddu 7.6 y cant. Sut y gallwch gyfiawnhau cynnydd mor sylweddol a phawb arall yn byw ar gyllideb gymaint yn llai?

**Ieuan Wyn Jones:** I am going to ask you questions about the comparisons between the increase that you are expecting in your budget and the general increase in the block budget. If we look at the Government's departments, we see an increase between 2011-12 and 2012-13 of 0.5 per cent on the revenue side. Taking the health service as an example, there is an increase there of 1.5 per cent. There is a 3 per cent reduction in the administration of central Government's services. However, the largest increase in any budget, by far, is the increase in the Commission's budget: its budget is increasing 6 per cent, while the Assembly's services budget is increasing 7.6 per cent. How can you justify such an increase when everyone else has to make do on a much smaller budget?

[74] **Angela Burns:** Thank you for that question. I will give you an overview and then ask Steve to furnish you with the technical detail. It is simply this: of our 6.4 per cent, 5 per cent is for unavoidable costs that we have no ability to do anything about—they are contractual or rent-based costs. Our area of discretionary spend is actually very small, and unlike the

Government or most other public bodies, we do not have a programme to deliver. We do not have room for manoeuvre and we do not have a programme of expenditure where we can say, 'Right, we need to achieve these savings this year, so we can cut here or there'.

[75] We are a lean organisation. The third Assembly Commission did an excellent job and delivered outstanding cuts. It stripped the Assembly to the bone, but, because we are back to the bone and we are that lean, we have very little else to go. We can squeeze the odd pip here and there—we spoke earlier about pulling out of our apprenticeship programme, for example, which would save some money—but, in trying to deliver the investment that we need to move on and to achieve our outcome, because we have such little amount of wriggle room, there are not an awful lot of things that we can tackle. I will be absolutely candid with you: if we were to carry on in this Assembly with exactly the same programme of delivery as the third Assembly, we would be looking at losing 60 to 70 jobs within the Assembly Commission.

[76] We are quite a small staff; I think that there are some 354 members of staff. It would impact, as always, on the low-paid workers. It would impact on the catering staff and the cleaners. We are already two down in the research service, and we would not be able to replace them, and would probably have to allow natural wastage there. We would have to stop the investment programme in the IT systems, which means that we would not be able to bring the Chamber up to speed. We have a lot of other contractual matters that we cannot wriggle out of: for example, we know that our current IT system provider's contract comes to an end in 2014. We may renew the contract with that provider or go elsewhere, but that is something we would have to spend on at the expense of other, softer areas. We took a view that we have to invest in achieving the outcome that we want. We have a small amount of wriggle room, because we are already an incredibly lean organisation. Steve can give you the numbers to reinforce what I have said.

[77] **Jocelyn Davies:** At least two other Members want to ask supplementary questions on this. Ieuan has a further question that he will ask first. Mike will follow him and then Paul.

[78] **Ieuan Wyn Jones:** Yr ydych wedi rhoi eich eglurhad dros y cynnydd, ond, wrth gwrs, gallai pob adran o'r Llywodraeth wneud yr un achos dros gynnydd. Sut yr ydym ni, aelodau o'r Pwyllgor Cyllid, yn mynd i gael ein perswadio eich bod chi'n achos arbennig? Onid yw'r cyhoedd yn mynd i'w gweld hi'n od fod y cynnydd yn y gwasanaethau iechyd, er enghraifft, bedair gwaith yn llai fel canran na'r cynnydd yn wasanaethau'r Cynulliad? Sut y gallwch gyfiawnhau bod gweinyddiaeth y Cynulliad yn haeddu cynnydd uwch na gwasanaethau rheng flaen? Gall bawb ddod yma i ddweud eu bod eisiau mwy o arian, ond y realiti yw bod pawb yn gorfod byw ar lai.

**Ieuan Wyn Jones:** You have given your explanation for the increase, but, of course, all Government departments could make the same case for an increase. How can we, members of the Finance Committee, be persuaded that you are a special case? Will the public not think it a bit odd that the increase in the health service, for example, is four times less in percentage terms than the increase in Assembly services? How can you justify that the administration of the Assembly deserves a higher increase than front-line services? Everyone could come here and say that they need more money, but the reality is that everyone has to live on less.

[79] **Mr O'Donoghue:** It is probably more important than ever, in these difficult times, for the Assembly to have the best tools possible for Members to do their jobs. In the last budget document we set out the risk that there would be changes in the breadth, timing and quality of services that Members receive, and that there would be a notable change to such things as the contracts supporting the Assembly, and that that would impact on contractor staff. So, that goes almost to the core of what the Assembly does in holding others into account. What the Commission has done in this budget is to decide that rather than cut services and costs by upwards of £2 million—there are unavoidable costs that add nothing to

the services we provide you with, but merely hold us level—it would propose a budget increase. You are absolutely right that that is difficult.

[80] **Ieuan Wyn Jones:** I would like to make a final point; I know that other Members want to ask questions. I assume that the previous Commission would have understood the need for extra services in light of the new powers that the Assembly now has. Yet, the indicative budget that was included in the previous Commission's proposals for this year was £2.5 million less than what you are asking for now. In other words, its indicative budget was £44.7 million, which is an increase on a par with everyone else. Why does the fourth Assembly Commission take a different view?

[81] **Angela Burns:** That is because the previous Commission believed that we should continue with a programme of cuts. We do not believe that, if we were to cut any further, we would be able to maintain anything like the level of service that we currently provide.

[82] **Ieuan Wyn Jones:** So, you are taking a different view from that of the third Assembly Commission, then.

[83] **Angela Burns:** Yes, we are taking a different view. I also point out that, in the budget of the third Assembly Commission, it was identified that, if we had to carry on taking further cuts, services would suffer. If you look at the questions yesterday to me in the Chamber in my role as Commissioner, Members were complaining about services and were raising concerns about being able to fulfil their jobs. We have all been elected here to do a job and we cannot do it without the tools. I go back to the fact that we have a very small amount of discretionary spend.

[84] **Mike Hedges:** I have two very simple questions. At what level do you find it financially beneficial to print documents? How many documents do you need to print or photocopy? You could send them electronically and let Members print them.

[85] **Angela Burns:** I simply cannot answer that question, but, if you wish, I am happy to do a desk research on that.

10.15 a.m.

[86] **Mike Hedges:** We should certainly do some research on it. I assume that everyone here printed out the 70 or 80 pages of information that we have had. Some of us had it printed out for us. Some of us were lucky and it was printed double-sided; some of us had it printed single-sided. There are paper and printer costs in here, and I do not know how it fits into the system, but someone needs to look at what point it is better to do things differently. The second point is that you have an unavoidable increase of £300,000 for support staff. How do you work that out? My experience from my very short time here is that support staff change fairly regularly. I do not think that the 180 or so support staff we have dotted around the Assembly today will be the same 180 people in a year's time.

[87] **Angela Burns:** I have to say that my experience is different. My experience is that the support staff remain and that, if the Member whom they were working for is not re-elected, they tend to stay working for the party and move around here. The sum of money you refer to is not for pay rises. As you know, one of the most significant cost savings we have made as the Assembly has been by freezing pay. However, support staff have an incremental grade increase every year. So, that sum of money is to cover items such as that. It is not for pay rises.

[88] **Mike Hedges:** So have you assumed that everyone is going to stay for the whole 12 months?

[89] **Angela Burns:** Most people do stay for the whole four years, pretty much—well, five years in this case.

[90] **Mike Hedges:** Well, there is something wrong with the system then. Every time I look at the parliamentary jobs section online there seem to be vacancies in jobs with Assembly Members.

[91] **Mr O'Donoghue:** We make some adjustments within the budget we set for a level of turnover. Few of the allowances are set at a budget that assumes Members will claim all that is claimable. That applies to support staff as well.

[92] **Mike Hedges:** The other point is that if support staff stay here for that long, they should all be at the top of the grade and there should not be a grade increment problem.

[93] **Jocelyn Davies:** Yes, but we are in a new Assembly so they will not all be at the top. Paul, you wanted to come in on the point that Ieuan was making.

[94] **Paul Davies:** Yes. You have made it absolutely clear that there is no room for manoeuvre as far as making further savings is concerned. Are you therefore suggesting that that is as a result of failures by previous Commissions to control previous contractual obligations?

[95] **Angela Burns:** I think that, as an Assembly group, we have become better at procurement. That is why we intend to bring in this person from the Environment Agency to be a procurement manager. It is an art. In the same way, we want to bring on board an IT specialist. You simply cannot be in command of everything. As the Assembly has grown, and as our requirements have grown, we have needed to develop those specialist skills. That is part of the answer. The second part of the answer is that the third Assembly Commission stripped everything right back. It had a different strategy and believed that we should continue to cut, cut, cut. At the end of the day, we are here to represent the people who put us here, and our view as the fourth Assembly Commission is that we must invest in order to deliver those parliamentary services, because we have to underpin what the National Assembly for Wales is all about.

[96] If I may quickly add one final point, we are still looking to squeeze where we can—there is no doubt about it. So, you will see a sum of money in here for the police contract, for example. However, let me make it very clear: we are still negotiating with the police on that contract, and we are endeavouring to drive it down to where we believe it should be. So we are still working on any areas that we can continue to squeeze to ensure that we get value for money. Claire, do you want to say anything on that?

[97] **Mrs Clancy:** If we start—

[98] **Jocelyn Davies:** We have just 10 minutes left, and some Members have not had the opportunity to ask their questions. Ieuan, have we covered your questions?

[99] **Ieuan Wyn Jones:** Yes.

[100] **Jocelyn Davies:** Mike, do you want to ask about the unavoidable costs, or has that point been covered?

[101] **Mike Hedges:** I think that it has been effectively covered—well, it has been answered; I am not sure whether it was effectively covered.

[102] **Jocelyn Davies:** Paul, do you want to go on to your other questions?

[103] **Paul Davies:** Yes. I want to look at your future investment programme. A number of items highlighted in this are labelled ‘service operational spend increases’, such as the police contract, which you have just mentioned, and ICT maintenance. Are these enhanced services or are they unavoidable contract increases?

[104] **Angela Burns:** With the police contract, for example, the police are now saying that, in order to deliver the levels of security they believe we need, based on the intelligence they receive, they need to add to their contract by some £150,000. We are not taking that lying down, of course; we are challenging them on that and asking them to provide the evidence that that is so. We are also undertaking comparisons to see how much police operations in other areas cost.

[105] **Paul Davies:** Is it your view, therefore, in looking at the police contract, for example, that it is necessary?

[106] **Angela Burns:** It is absolutely necessary, but we are still discussing whether it is necessary to pay that price. However, the police contract itself is absolutely necessary.

[107] **Paul Davies:** Can you expand on what the £500,000 service restructuring fund is? Does this fit in with the strengthening of specialist advice and services?

[108] **Angela Burns:** Yes, it does and it also encompasses such things as Assembly Member training and staff training. We are keen that we start to get skills into the organisation and into the people who work in the organisation. What we use that sum for can be training an Assembly Member staff member—I know this from my constituency office—how to deal with problematic cases, challenging behaviour or a constituent who behaves completely inappropriately. We offer all that and we need to do more than that. We recognise strongly the stress levels that ordinary constituency members of staff are put under because they are not trained. They are not social workers and they are not trained to deal with some of the harrowing things that they come across. So, a lot of that is to do with training and it is to do with restructuring staff—perhaps you would like to expand on that, Claire.

[109] **Mrs Clancy:** We are currently considering whether we should run another severance scheme. As you know, we ran a severance scheme and 25 members of staff left. Along with other public sector organisations, we are keeping under review whether we should repeat that both to save money but also to allow us to shift skills as the requirements of the organisation change, and possibly to make adjustments to the structure. So, it can be about different service delivery as well as savings. That is what that is there for.

[110] **Jocelyn Davies:** By severance, do you mean voluntary redundancy?

[111] **Mrs Clancy:** Yes.

[112] **Jocelyn Davies:** Is there not a tension between expanding services to Members and then making 25 people—

[113] **Angela Burns:** I was about to make the point that it is about getting the right people in the right place. So, we may think that we could slim down in one particular area, but need to get the skills in another area, such as IT or procurement, instead. So, there is quite a lot of staff movement that is, if not physically involving people, in the skills requirement of the Assembly.

[114] **Jocelyn Davies:** Perhaps the restructuring fund could retrain staff to do a different

job, rather than getting rid of them.

[115] **Angela Burns:** Indeed.

[116] **Jocelyn Davies:** There can often be a tension with secondments, which you also mentioned earlier. If you take on a secondee and get rid of someone who is there already, it can cause considerable bad feeling. I think that you mentioned that 25 staff members were involved. Were they all being directly paid? Perhaps you can let us have a note on that; do not go into it now.

[117] **Mrs Clancy:** They were all our employees.

[118] **Jocelyn Davies:** That is not quite the same thing.

[119] **Angela Burns:** We can give you a note on that.

[120] **Jocelyn Davies:** Yes, please.

[121] **Angela Burns:** Essentially, you would like to know what their job roles were and why they went rather than being redeployed elsewhere in the organisation.

[122] **Jocelyn Davies:** And the relationship with secondment. Ann has the next question.

[123] **Ann Jones:** On sustainability, you have highlighted progress in increased energy efficiency, although I do not know how, because, given the heat in the Chamber yesterday and the day before, I could have been sitting on a beach in Bermuda, hence my sleeveless top today. Anyway, you say that there is increased energy efficiency, yet, this year, you say that there is a continuing need to invest to sustain that. May I suggest that you look at the temperature? That would be one way of saving energy. However, what actions will you take to ensure that year-on-year savings in carbon emission and energy consumption are maintained?

[124] **Angela Burns:** I will answer the first bit of the question and perhaps Steve, as our sustainability champion, can come in on the second bit. On the first point, and I speak as one of the 60 lobsters who were sitting in the Chamber, it was because someone had inadvertently switched off the heat-source pump that sucks out the hot air and drives it back underground to get rid of it. It was a simple human error, and once we figured out what was wrong, we sorted it.

[125] **Ann Jones:** That happened for two days running.

[126] **Angela Burns:** Yes, and as we all know, we all freeze in there in the winter. However, that was yesterday's issue. Steve is our sustainability champion, and so I would like him to go through that with you.

[127] **Jocelyn Davies:** So, Steve, you are the one who took the paper towels away.

[128] **Mr O'Donoghue:** Yes; you will remember that we discussed that four years ago. Having got rid of paper towels in the toilets, we have saved tons of paper from going to landfill, and we now use the energy-efficient hand dryers instead. It is probably fair to say that we have done all the easy stuff. Picking up Ann's point, it will require continuing, major investment if we are to achieve the Assembly's target of 40 per cent carbon emissions reductions by 2015.

[129] **Jocelyn Davies:** Ann, did we cover all your points?



[130] **Ann Jones:** Yes.

[131] **Jocelyn Davies:** We will therefore move on to Chris.

[132] **Christine Chapman:** Obviously, you know that we are bringing forward a new bilingual services scheme under the proposed legislative framework, and there is a public consultation on those proposals. There is no reference to costs or finance in the consultation. Will it have any financial implications for the Assembly Commission, and if so, are the potential costs included in the draft budget proposals?

[133] **Angela Burns:** We have a sum included. We are looking to reinstate the bilingual Record; that seems to be the will of the Members. However, we also have a big programme of consultation going on, and the Welsh Language Board is doing a study to review the most cost-effective tools that we could use. We are looking at mechanical reporting methods as well, because there is an awful lot of new technology out there, but again, we are mindful of the cost. When we first looked at reinstating the Record to the level that we were hoping for, the cost was something like £600,000 a year. We have brought that down and down and we are now looking at circa £150,000, and probably slightly less than that. I hope that that answers your question.

[134] **Christine Chapman:** I will move on to the remuneration board decisions regarding Assembly Members' costs. Are there any further potential decisions pending that could affect the Assembly Members' ambit for 2012-13?

[135] **Angela Burns:** There are not to our knowledge, but of course the remuneration board is completely outwith our control and it is our task to provide it with the money to cover any determinations that it chooses to make. I know that it is constantly reviewing the determinations that it has made, and it is also very interested in ensuring that Assembly Members get the right level of resource support in order to do their jobs. If there were any changes, we would just have to come back to the Government and ask for a supplementary budget.

[136] **Ann Jones:** The Minister, Jane Hutt, assured this committee that officials have initiated discussions with the Commission in respect of any supplementary budget. Is that the case? Are you satisfied that, if you needed a supplementary budget, the Welsh Government would be receptive to that?

[137] **Angela Burns:** They have talked informally, because the Commission has a very good relationship with the Welsh Government. I know that you have some strong links there, Steve, and that you have never had an issue in the past with a supplementary budget. Do you want to expand on that?

[138] **Mr O'Donoghue:** There is a good level of trust between the officials of both organisations. It is entirely appropriate for the committee to ensure that there are safeguards in place, so that if the Commission ever does need a supplementary budget, there is a mechanism for us to get that. However, the proposals that I have seen set out from the Government do not appear to risk that being able to be done.

[139] **Jocelyn Davies:** We are considering, along with the Minister, this idea of entering into some sort of protocol, although that needs to be fleshed out. Would that be an appropriate way forward? Would that give you assurances?

[140] **Angela Burns:** I will be honest with you—I do not know much about this protocol. If you are looking at a protocol with the Government about being more transparent in terms of

scrutiny by the Finance Committee, I would be delighted to look at it and see if we can mirror it. Our objective is to be as open as we possibly can be.

[141] **Jocelyn Davies:** We have managed to finish a couple of minutes early. Thank you for the evidence that you have given us today, and the open and honest way in which you have answered our questions. I know that there are one or two things that you said you would provide in a note by tomorrow, and we would be very grateful to receive those. As always, we will send you a transcript for you to check for factual accuracy.

10.30 a.m.

[142] **Angela Burns:** Thank you. We appreciate your time. If any individual Member wishes to have further discussions, we would be happy to meet on a one-to-one basis to go through in detail any of the concerns that have been raised.

[143] **Jocelyn Davies:** Okay. Perhaps we will take up the offer of having copies of the monthly monitoring report from the chief executive.

[144] **Mrs Clancy:** Okay; we will send them to you.

[145] **Jocelyn Davies:** Thank you. When we move into private session later, we can discuss our thoughts on the evidence that we have received this morning.

[146] Peter Black will be re-joining us for the next item.

10.31 a.m.

**Craffu ar Amcangyfrifon Drafft Ombwdsmon Gwasanaethau  
Cyhoeddus Cymru  
Scrutiny of Public Services Ombudsman for Wales Draft Estimates**

[147] **Jocelyn Davies:** We move to our next agenda item. Thank you for attending this morning, Mr Tyndall. Perhaps you would like to introduce yourselves and, if you have any introductory comments to make, we will hear them now, before we move to questions.

[148] **Mr Tyndall:** Thank you, Chair. I am Peter Tyndall, Public Services Ombudsman for Wales. My colleagues are the policy and communication manager, Susan Hudson, and Malcolm MacDonald, my financial advisor. Members are familiar with my service; some of you have made considerable use of it in your constituency work, so I do not intend to labour the point. My service is the final point of complaint for people who believe that they have received a poor service from a public body in Wales or who believe that they have not received a service that they should have received. As well as that, I consider complaints that members of local authorities have broken their code of conduct. Members will be well aware that the reports from my office, particularly in the health field, are hard-hitting and have received considerable publicity. As an office, we aim to provide a remedy for individuals who have suffered an injustice, but we also try to ensure that we are driving improvement across the devolved public service in Wales. We can point to many examples of that, such as changes in policy, changes in practice, changes in training and so on. We are driving improvement to try to ensure that the kinds of incidents that have been brought to light through complaints to my office are not repeated. So, I think that it is an important role and one that we aim to discharge in an efficient and effective way.

[149] In the current year, we have taken on two new responsibilities. First, all independent reviews of health complaints are now concentrated in my office, and that has led to significant

increases in workloads. I am happy to discuss that and I am sure there will be questions to that effect when we look at the budget in detail, as it has had a major impact. Secondly, we have introduced the Complaints Wales signposting service. Many members of the public do not know how to complain about public services—some people do not know, for instance, that utilities are no longer part of the public service. We are trying to provide a clear and straightforward way of not only of telling them where to go, but helping them to put their complaint to the relevant body or ombudsman because some of the complaints are not for my office, but for other ombudsman services.

[150] We have made some major changes to the service and those have had their full impact in the current financial year. We have gone to a streamlined process, which is far more efficient and effective. It is different to those adopted by other ombudsman services and it is getting a lot of interest from elsewhere—we have had many visits to the office to look at how we are doing things. We not only provide a call-handling service that passes complaints on to an individual who can look at them, but we have put investigators on the front line who take calls from individuals, so we are able to provide a much prompter service. We have taken a whole stage out of the process: we do not receive a complaint, assess it, then investigate it; we receive and assess it and aim to do so within 28 days, and generally we are doing that. That has led to major improvements to the throughput of my office in two ways. One of them is that we are not taking in complaints to be investigated that are inappropriate for the office—for example, if the body concerned has not yet had an opportunity to put things right—and the other difference is that when a complaint is due to be investigated, the investigation commences much sooner, when the events are fresher in the mind of the body that is being complained about and the individual who is making the complaint, so we are better able to turn that around.

[151] Thanks to a huge effort by my staff, we eliminated a considerable backlog in complaints in the last financial year. There will always be complaints in the system—some of which will come in the day before the end of the financial year, so that is not an issue—however, we started this year in much healthier shape as regards performance than any previous year. We are in a better position to deliver the high-quality service that the people of Wales expect. We have a reduced establishment compared to what we intended. In the paper, I have described some of the measures that we have taken, particularly in respect of reducing management. When I say that we have gone from three investigation teams to two, that does not mean that we have fewer investigators: it means that we have fewer managers. We have gone from two directors to one. We have tried to ensure that the changes that we have made to the staffing structure have had a minimal impact on our ability to deliver the service, which is reflected in performance.

[152] Complaint numbers continue to grow. I am happy to explore that and I am sure that it is another issue that committee members will want to address. There has been an inexorable rise in health complaints, which now stand at 31 per cent of all complaints considered by my office. There are two things to say about that. It partly reflects improved complaint-handling practice elsewhere in the public sector in Wales. I suspect that the reduced growth in the number of complaints that we receive regarding other sectors, or the levelling off of those numbers—for instance, complaints regarding local authorities—is because they are doing a better job when people first complain to them. I think that the rise in the number of health complaints can only be partly accounted for by the changes to arrangements that came into place during the year. There has been a rising trend since the office was established in 2005. It has been accelerated by the changes, but they have not been the sole cause.

[153] In the course of preparing the budget last year, I gave a commitment that we would hold the budget level for this financial year. I do not pretend that that is not going to be challenging—it will be very challenging. However, we believe that we can do that with the measures that we have taken, particularly to streamline the service and the reductions in

staffing levels. The one thing that I have had to bring to you, as a separate item, is the requirement for additional funding for the level of deficit in the local government pension scheme. A small number of my staff, as the paper explains, remained in the local government scheme when the office was established. Normally, members of the scheme have the capacity to repay their share of the deficit in the scheme over a period of 20 years or more. Because the last member of the scheme who works in my office is due to retire, the deficit will crystallise—as the actuaries would describe it—meaning that the whole of the deficit will have to be paid off over a much shorter period. I have given notice that we are likely to require a supplementary estimate in the current financial year that would form part of the supplementary budget put forward by the Welsh Government. We have been in preliminary discussions with the Government about the process that is necessary for my office to go through. We have also had to indicate that we will need to pay that off in staged payments, commencing in the next financial year, and would need additional resources to do so. In the absence of the resources, the sums are so significant in terms of the relatively small budget of my office that I know that we could not investigate all the complaints that we currently investigate. Something would have to give, and, inevitably, that something would be staff, because I have few other costs that are capable of being changed, and certainly none to the extent required. That would mean that complaints that are currently investigated would not be investigated in future. So, I am very anxious to gain the committee's support for the additional sums involved, to ensure that the service is not threatened. Those are my opening remarks, Chair.

[154] **Jocelyn Davies:** I am sure that the committee will want to probe you on that before we commit to giving you our support. This time last year, you expressed considerable reservations about whether it would be possible for you to meet your statutory obligations with the reduction in your estimates for 2011-12. We are only part-way through the financial year, but do you foresee any problems in meeting your obligations?

[155] **Mr Tyndall:** Chair, there always has to be a caveat to this, because I do not know what level of complaints I am going to receive for the remainder of the financial year. However, given that caveat, on the current projected increase in levels of complaints, because we eliminated the backlog of cases before the year-end and because we are achieving the expected increased efficiencies through the streamlining process, I anticipate that I will be able to meet my statutory requirements for the remainder of this financial year.

[156] **Jocelyn Davies:** That is very good news. Mike Hedges has a supplementary question on that.

[157] **Mike Hedges:** I know what is going to happen: come the council elections next May, there will be a large number of councillor-on-councillor complaints and council-candidate-on-councillor complaints. Instead of your taking initial legal advice that would find that the complaints could be thrown out—as could have happened in Swansea but did not happen; 180 volumes later, you had to come to that conclusion—and instead of saying that it is just an internal spat, you will become involved in it, as with the John Dixon episode. You get involved in these things, and they will cost you large sums of money. The question is: why?

[158] **Jocelyn Davies:** I do not expect you to discuss any specific cases with us. However, Mike Hedges makes an interesting point. You mentioned complaints about councillors. Could you provide a note on how many of those complaints are made by other councillors rather than by members of the public? I am sure that most people believe that the ombudsman is for the public, generally. I guess that Mike's point is that, in the politics of the local government elections, you may see a rise in councillor-on-councillor complaints.

[159] **Mr Tyndall:** I am going to make a series of points in response. First, I largely agree with Mike that there is a need for a change to the system, which is what his comments imply.

I will come back to that in a moment. To give Members some reassurance that we have learned lessons, in the last financial year, we produced 27 reports into investigations that were referred on either to the Adjudication Panel for Wales or to standards committees. Of those, in all 11 cases that went to the adjudication panel, there was found to have been a breach and, in 14 of the 16 that were referred to standards committees, there was found to be a breach. So, we think that we are now quite good at sieving out the kind of low-level nuisance complaints that would otherwise take up a lot of time. They are dealt with, primarily, in the front-end of my office, so they are not going into investigation, which is the point that I think Mike was making. We are a learning organisation and we try to ensure that, in instances such as that, we take account of them and do not repeat the situation. I gave that assurance previously, and I would like to say that the figures demonstrate that.

[160] All of that said, I accept that the current system is in need of some change. I spoke yesterday to the local government standards conference, having written to the Minister and the Welsh Local Government Association to establish how the Minister intended to proceed, because it seems to me that the change hinged on two things. I am aware that, in the governing party's manifesto, there was a commitment to reviewing the system and, potentially, new legislation. If there was to be new legislation in the short term, I thought that it was appropriate to await that legislation before making changes. However, the current legislation programme does not yet show when that legislation is timetabled.

10.45 a.m.

[161] On that basis, I am moving forward in discussions with the Government and the Welsh Local Government Association on a proposal that will introduce local mechanisms for dealing with member-on-member complaints. That can be done within the existing legislation, provided that my office issues new guidance. Mike and Peter will be aware that some of that work has been done in Swansea in response to the issue. We are working closely with the City and County of Swansea and other councils that are also looking at this, because it is entirely right. We spend a lot less time and money on councillor complaints in my office than on maladministration, but, where they are vexatious or trivial, it is important that we are not wasting any time on them. So, I hope that the new proposals will tackle that. I fully accept Mike's point; we need to ensure that we spend money wisely.

[162] **Jocelyn Davies:** We have questions about more than just Swansea, but, Peter, do you want to say anything about that?

[163] **Peter Black:** First, I want to say for the record that I am a Swansea councillor, so that the people watching this committee can be aware of that. Secondly, following on from your remarks, are you, as part of that process, looking at reviewing the code of conduct?

[164] **Mr Tyndall:** The code of conduct is the Government's responsibility. We have indicated that there are elements of the code that we think require reviewing; the WLGA and the monitoring officers would agree on those elements. There is no question about it. These things are put in place, you have an opportunity to see how they work in practice, and it then becomes time to change them. However, that will require legislation, so we would be supportive of change. I am happy to use the experience of investigating complaints to feed into any process of review.

[165] **Peter Black:** Your estimates include a supplementary for the 2011-12 financial year relating to unavoidable pension liabilities, to which you referred in your opening remarks. Can you explain how it was established that your share of the contribution to the deficit should be £1.565 million?

[166] **Mr Tyndall:** The actuary to the scheme is Aon Hewitt, which calculates, on a

triennial basis, the position of the scheme at that time. It then estimates what element of the deficit in the scheme is attributable to each of the scheme members. As a committee, you will be aware that pension scheme deficits change over time, because they are affected by changes in life expectancy, in the performance of the financial markets and so on—I will not labour those points. At the point at which it conducted the triennial review, it concluded that our element of the scheme, if we were to pay off the deficit in a staged way, which is what we are proposing here, would equate to that sum of £1.565 million. It is clearly a large sum of money. I do not doubt the basis of its calculations, but, nonetheless, on the advice of my audit committee, we have engaged the Government actuary to provide a second opinion. However, these things are relatively routine, so I do not anticipate change as a consequence.

[167] **Peter Black:** This is obviously a change to the current year's budget, as opposed to next year's budget, which we are scrutinising here today. Have you engaged with Welsh Government officials in terms of including this in the next supplementary budget, which is laid before the Assembly? Have you spoken to the Government about obtaining Treasury agreement that it should be classified as annually managed expenditure?

[168] **Mr Tyndall:** Yes, we have initiated those conversations, but they have not been concluded. The Welsh Government is aware of the issues and of the need to conduct discussions with the Treasury, which we cannot do independently.

[169] **Ann Jones:** You have calculated that you are going to pay this deficit through staged payments up to 2017-18. Are you sure that you will not have any active members of the scheme by that date? If you still have staff contributing to the local government pension scheme, how will that impact on the contribution to the deficit?

[170] **Mr Tyndall:** It is a complicated question, because changes to pension ages could well occur, and someone might decide to stay on beyond the pension age. As we know, that becomes possible. I have to find a prudent basis for calculation. I could assume that everyone will leave earlier, which would bring forward the requirement to pay the deficit, or I could assume that everyone will stay on. Based on reasonable assumptions and knowledge of the retirement date of the individuals in the scheme—we are talking about a small number of individuals, so I do not want to get into the detail of their retirement, as it would be entirely inappropriate—this is the best and most prudent estimate of the date. I should say that this scheme is not open—no-one can join it; the rest of the members of staff are members of the civil service pension scheme. This is entirely a legacy issue caused by the fact that members of staff of the old local government ombudsman's office in Bridgend were members of the local government pension scheme and not of the civil service scheme, and they were legally permitted to continue in it at the time.

[171] **Ieuan Wyn Jones:** I have a query, just so that I can understand the figures that we are scrutinising. In your estimates, which are included in your evidence, you have several figures on page 7 that are shaded. So, there is a set of figures there, starting at £4.145 million in 2010-11 and ending at £3.886 million for 2014-15, and there is a band at the bottom with a different set of figures. In the budget that was published by the Welsh Government yesterday, the figures for you do not match any of those figures. I am a bit lost. What are the figures that we are scrutinising?

[172] **Mr Tyndall:** I cannot comment on the Welsh Government's paper. These are the figures that I am putting to you as a committee that I require to run the service in the coming financial year. If you approve them, the Welsh Government will be required to include them within the consolidated budget paper that goes forward to Plenary. That is my understanding of the process. I can only comment on the figures that are required to run my service—

[173] **Ieuan Wyn Jones:** Right, but which of the two lines do we scrutinise?

[174] **Mr Tyndall:** They are showing different things. The first line is showing the net resource requirement, and, as you know—

[175] **Ieuan Wyn Jones:** Is that the one that should go into the Assembly budget?

[176] **Mr Tyndall:** It certainly is, yes. The cash requirement is the actual amount of money that the service will need. The resource requirement includes things such as depreciation and non-cash items.

[177] **Ieuan Wyn Jones:** It is interesting that you are asking for less than the Government says that you need.

[178] **Jocelyn Davies:** That is because the Government figures are based on the budget figures that were presented to us last year.

[179] **Mr Tyndall:** We will take that; thank you. [*Laughter.*]

[180] **Ieuan Wyn Jones:** Okay. This is for clarification; there are no trick questions here. In paragraph 5.4 of your evidence, you ask for a 1.5 per cent increase for 2013-14, which is being held for 2014-15. Yet, in your estimates, the figures are going down for 2014-15. Which is correct?

[181] **Mr Tyndall:** The figures for future years are indicative figures. The 2014-15 figure came down slightly because of the reduction in depreciation as assets reached the end of their useful life, but, in reality, when we come back, it is likely that other cost pressures will have taken account of that. We are only asking you for a budget for one year, but we have indicated what our likely—

[182] **Jocelyn Davies:** Are you happy with that explanation?

[183] **Ieuan Wyn Jones:** Yes, that is fine; it has clarified the issue. You are saying that you are asking for an increase that matches the increase in the block, but, of course, the block changes from year to year as a result of UK Government budgetary changes. Will you be reflecting any changes to that baseline for future years?

[184] **Mr Tyndall:** Yes. The commitment that I gave last year was to reflect the figures then. As it happened, the figure for this year increased by 0.75 per cent. We gave a commitment last year that we would come in on a flat basis on resource, and we have done that, but we are suggesting that it rise by 0.75 per cent this year and the 0.75 per cent projected for next year—that is, 1.5 per cent. We are forgoing the 0.75 per cent increase in the block grant this year because we gave a commitment last year and we thought that we should honour it.

[185] **Ann Jones:** Your annual report stated that, due to uncertainty around the financial resources, you delayed the launch of the Complaints Wales signposting service. You managed to launch a pilot in March of this year, and then you went on to say that you would look to launch the service fully later in the operational year. Have you managed to do that yet?

[186] **Mr Tyndall:** Yes. We have launched the Complaints Wales service. The telephone lines went live from the beginning of April, and we also now have the website live. I will say a little about the website in a moment. Just to give the numbers, 566 people have been signposted since the beginning of the year, which, for a soft launch, we think is reasonable. Just to clarify the point in the annual report, we needed to ensure that we could continue to deliver the basic service to people before we put an enormous amount of effort into

generating additional work for the office, so that was the reason for the decision to delay. The website is now live, and, along with my own website, is generating huge interest. What we have done is create an interactive complaint form so that people can make their complaint online, fill in the form online, and have it sent off to the appropriate body. We have had a very good response, including from bodies that are not even part of the public services, like utilities; they are accepting complaints via a form that is emailed to their office, just as though they had been made directly to them. I will not pretend that the technology has been easy to sort out; you had a discussion about technology earlier. However, we have both IT companies and suppliers of IT systems involved, because what is happening for the first time is that, when someone completes the form online, the details are being correctly entered into my database. When you finish completing the form, there is nobody taking it and copy-typing it into a system—it is going in as a pending complaint, waiting to be dealt with in my system. We think that that is quite ground-breaking. It is better for complainants, because it lets them do what they want to do—and we know that that is what they want to do—and it is also better for us, because it reduces the amount of staff time that has to be spent on repetitive routine work.

[187] **Christine Chapman:** I have a question on that, because obviously my office has dealt quite a lot with yours—it has been very helpful—and you talked about the online service, but that does not exclude the traditional methods, does it? I just wanted to check on that.

[188] **Mr Tyndall:** No. We have made a big investment in dealing with people on the phone because, although the legislation on my office says that complaints must be received in writing, in fact I have discretion on that. These days, some people are happy to fill in forms to complain, but the majority would prefer to talk to someone or to email or do it online. That is what we have tried to do, to fit in with the way that people want to work.

[189] **Mike Hedges:** In your current estimate for 2012-13, there is a reduction in the communications budget of £25,000, which is almost a quarter, compared to 2011-12. Why?

[190] **Mr Tyndall:** If you went back and looked at other years you would find that it is bringing it back into line. There was a particular requirement for additional communications in that year, so the amount is broadly in line with what we have had in the budget previously. There was a bulge in that year. For the latter part of this year, we will be using the budget to both promote the signposting service, and to continue our discussions with the voluntary sector, which is a key partner in making sure that people from groups with protected characteristics, disadvantaged groups and so on, are able to access my service. So, that will be the primary drive. Members will also be aware of the initiatives that we have taken in previous years, such as the case digests and so on; these will continue. We have not cut back on activity.

11.00 a.m.

[191] **Jocelyn Davies:** So, that was a one-off.

[192] **Mr Tyndall:** There was a one-off increase in the previous year.

[193] **Jocelyn Davies:** With that, were you buying specialist services?

[194] **Mr Tyndall:** I am struggling to remember, Chair. May I come back to you on that? Actually, I know what that was. We ran an extensive series of seminars for bodies in jurisdiction about the common complaints system and about the proposed changes to my service. We took those seminars around Wales. That was a particular additional cost in that year.



[195] **Paul Davies:** I would like to ask you about the NHS redress arrangements. Your 2011-12 estimate predicted that full-year provision for this would be £335,000, based on an estimated additional 100 cases per year. In your current estimate, you state that health complaints have increased by 5 per cent in 2011-12. How does this compare with the estimated additional 100 cases per year previously estimated and how accurate was the predicted full-year costs of £335,000?

[196] **Mr Tyndall:** The estimates were originally drawn up based on the Putting Things Right project board. That is the Assembly Government's joint project board, which we participated in for the NHS Redress (Wales) Measure 2008. The assumptions were based on the likely increase in the number of complaints coming to my office based on the experience in Scotland, where an earlier version of these changes had been made.

[197] The report to the Assembly in January 2008, which was when the estimate was carried out, estimated that the number of health complaints being received by my office would grow by 173. So, I would have 173 more health cases. That would have been a new total of 364. My current projections are that we will have 480, which is 116 more complaints than the original projection. I think that it is also worth saying that health complaints are generally the most expensive complaints to deal with in my office, because of the complexity of the issues, the numbers of records that have to be pursued and the need to use specialists. There are many reasons, but I will not labour the point. So, the estimates of the volume fell well short of the actual picture.

[198] As I said in my opening remarks, I think that this is partly as a consequence of the change, but it is also partly as a consequence of the greater propensity for people to complain about the treatment that they are receiving from the health service. It is not for me to say why, but I know that expectations are going up, people are more knowledgeable about their condition because of the internet—or, rather, people seek more knowledge from the internet about their conditions, and so on. So, it is very hard to put a finger on it, but the reality is that is much higher than we expected.

[199] On the basis of the original calculations, that would have required another four members of staff—three and a half investigators and half a member of support staff. On current figures, that would have cost £225,000, which is more than, in the event, we had. In practice, because of the improvements to our processes, we are currently managing that increased volume within the existing resources. The redress Measure came into effect at the beginning of the financial year, so there are still cases working through the old independent review process until that is finally wound down. That is, complaints that were made before the end of the financial year. Time will tell what the ultimate impact will be, but my suspicion is that many people have voted with their feet and come directly to my office, knowing that the independent review process was coming to an end.

[200] **Paul Davies:** Are you confident that you will be able to continue to manage this increased workload within your existing resources?

[201] **Mr Tyndall:** Yes, as long as there is not a sudden surge.

[202] **Jocelyn Davies:** You mentioned securing specialist knowledge and advice to support you. Is that very expensive?

[203] **Mr Tyndall:** It is expensive. One of the things that I have been trying to do is to manage that cost, which is one of the key costs to my office. We use leading UK specialists, and that is what people expect—if the complaint comes to my office, people want a definitive view. We have been trying to take more of the generic advice within the office. For that

purpose, three clinicians come to my office—a GP who gives more broad advice and who is otherwise engaged in giving advice to the health service, a leading accident and emergency consultant and a leading nurse. Those people are able to give generic advice to determine whether we need to take more specialist advice or whether we can close the case on the basis of the information that they require. That means going less to the parliamentary ombudsman's range of advisers, which is more efficient. It also means that we can ask more focused questions, if, say, someone says, 'The real crux of this is: was that particular treatment the correct treatment? You do not need to ask the rest of the questions, as the answers to those are straightforward'. So, we hope and fully expect that that will enable us to manage that budget. It needs to, because with the increased volume of complaints, we have not asked for a large budget increase for advice so we have to manage that budget quite actively.

[204] **Christine Chapman:** I had a question about backlog, but you have covered it. We are pleased to know that there is no backlog now. You touched on my other question earlier, but I want to clarify something about staff reorganisation. In your estimate, you state that you have undergone a reorganisation of staffing arrangements, and that you have reduced the number of staff by five posts. At the time of the 2011-12 estimates, you informed the committee that it would be necessary to reduce staff by at least one more post. Can you explain why staff numbers were reduced by five posts rather than one?

[205] **Mr Tyndall:** I was required to produce a lower estimate than my original estimate, and consequently I had to find more savings, as I described to the committee. My organisation is small—we have one office with very limited travel costs. The rent is the rent, the heating bills are the same as everyone else's heating bill, no matter what we do, and, in reality, staff costs are the only major element of my budget which I control directly. The changes that we made to try to bring the revised budget into balance related to reducing managerial posts. We took advantage of retirements and of people leaving, we did not fill posts and we restructured to reduce the management overhead. I must pay tribute to my managers, because it essentially means that a smaller number of people has taken on the work; it is a small management team in any case, so it has taken on a considerable additional burden. However, thus far, things are functioning well and the performance improvements that we have secured have been secured with that reduced management team. The bottom line is that we do not have much cover—we are very thinly spread. For instance, we had two impending temporary vacancies in one part of the organisation—corporate services—which we had to fill because they do the payroll, the bookkeeping, and so on, and we cannot not fill one of them. So, we are spread very thinly, but people are very flexible—they will turn their hand to whatever needs doing. That is the kind of culture within the organisation, and it helps us to get through.

[206] **Christine Chapman:** Are the staff working longer hours? Are they more stressed, or are you comfortable with the management of this?

[207] **Mr Tyndall:** Staff are very committed and are working very hard to keep the performance levels up. There is no slack within the organisation. People are managing very well, but, at the end of the day, they know they have put in a day's work.

[208] **Jocelyn Davies:** Paul, do you want to say something else about the staff reorganisation?

[209] **Paul Davies:** Yes. Following on from Christine's point, taking account of the staff reorganisation and the other efficiency measures detailed in your estimates, can you quantify the total amount of savings you expect to see as a result of these measures during the 2011-12 financial year?

[210] **Mr Tyndall:** Yes. These savings are taken into account in the budget for the year, of course. So, there will not be savings over and above these figures. They have been necessary

in order to achieve these figures. As I said, the biggest saving on staffing equates to £278,000. That is equivalent to a reduction of 7 per cent across the overall budget. There are smaller additional figures that I can provide. For example, we have saved £9,000 by recruiting directly rather than using a recruitment agency on the occasions we have needed to. We saved £6,500 by not using temporary staff, but recruiting our own pool of people and paying them at the ordinary rate rather than paying the agency rate. Those are minor things. The fundamental saving is the sum of £278,000 on the staffing budget.

[211] **Jocelyn Davies:** There is just one final question from Julie Morgan.

[212] **Julie Morgan:** I think that you say in your estimates that, if the level of complaints continues to increase, you might have to reconsider the criteria for deciding what complaints to deal with. Can you expand on that?

[213] **Mr Tyndall:** Chair, up to now, I have not had to take costs into account in determining the merit of a complaint. Often, I will look at a complaint and say that the issue concerned does not justify an investigation because it is a trivial issue. That is not to say that there is no reference to cost, but I have not had to say that there is a complaint that ought to be investigated that I cannot afford to. We have not been in that position. We are not in that position now, and these figures will not put us in that position, unless there is a major surge in demand. If that happens, because I am required to put before you a budget that enables me to fulfil my statutory obligations, I would have to come back to you if there were a substantial—and I mean substantial—increase. If there were a smaller increase, my concern would be that we would drift back to the situation of having backlogs. Then, things would build up over time. We have very tight performance management measures in place to stop cases drifting, but if you have too many cases, you eventually reach that point—people can only do so much work.

[214] **Julie Morgan:** That would be quite a serious move, would it not, if the cost determined whether you took a case forward?

[215] **Mr Tyndall:** It would be concerning, but I would come back to this committee first before taking a decision.

[216] **Jocelyn Davies:** You mentioned reconsidering the criteria. You mentioned right at the beginning that the public see your role as important to them, and as the last chance for many. Really, people see you as part of the justice system in the sense of delivering justice. We will obviously be discussing this in private session later, but I am sure that Members would have concerns that there could be a failure in the delivery of justice for the public should you need to change your criteria. That would create a situation where, in a good year, someone's case would be considered, but, in a bad year, the same case would not be because it did not meet the threshold. Obviously, you have expressed those concerns yourself.

[217] **Mr Tyndall:** Yes, I would be very reluctant indeed to envisage that situation. However, as I said, I would come back to the committee if that situation arose.

[218] **Jocelyn Davies:** We are very grateful for that. You have answered all our questions. I cannot remember whether there was anything you were going to send us a note on. I do not think there was—oh yes, there was just the note on how many complaints about councillors are made by other councillors.

[219] **Mr Tyndall:** I will do that, but I must give you one caveat on that, Chair: councillors do not always tell us they are councillors.

[220] **Jocelyn Davies:** Oh, right, of course. [*Laughter.*]

[221] **Mr Tyndall:** I will not always know.

[222] **Jocelyn Davies:** Do not waste time on that. As usual, we will send you a transcript to check. We expect to be considering our conclusions at our meeting on 20 October.

[223] **Mr Tyndall:** Thank you very much.

[224] **Jocelyn Davies:** That was very useful.

11.15 a.m.

### **Cynnig Gweithdrefnol Procedural Motion**

[225] **Jocelyn Davies:** To allow us to consider the Assembly Commission's draft budget, any issues arising from the public services ombudsman's estimates and the draft report on the Government's proposal to amend the annual budget motion, I will now propose that we go into private session. I move that

*the committee resolves to exclude the public from the remainder of the meeting in accordance with Standing Order No. 17.42(vi).*

[226] **Jocelyn Davies:** I see that the committee is in agreement.

*Derbyniwyd y cynnig.  
Motion agreed.*

*Daeth rhan gyhoeddus y cyfarfod i ben am 11.16 a.m.  
The public part of the meeting ended at 11.16 a.m*