



Comisiynydd Pobl Hŷn Cymru
Older People's Commissioner for Wales

Older People's Commissioner for Wales
Financial Plan

2021-24

Contents

Introduction	3
Governance and Scrutiny	3
The focus of my work during 2020-21	4
Appendix A Annual Estimate 2021-2024	9
Appendix B Reserves	14

Introduction

As Commissioner, I am the Accounting Officer and I am therefore required to submit an annual budget (the Estimate) to Welsh Ministers under paragraph 9(2) of Schedule 1 of the Commissioner for Older People (Wales) Act 2006 (the Act). The Estimate sets out the estimated expenditure on a resource basis and the net cash financing that will be needed from the Welsh Government for me to discharge my statutory functions.

The Estimate for 2021-22 has been disclosed on a cash and resource basis within Appendix A and assumes that I, as Commissioner, will in 2021-22 again receive £1,589,000 on a resource basis. I have also provided an indicative resource and cash requirement for future years to facilitate the Welsh Government's budgetary planning process.

Governance and Scrutiny

In carrying out my statutory functions, I am responsible, as Accounting Officer, for putting in place appropriate arrangements for the management and control of resources, including sound governance arrangements and the identification and management of risks and opportunities.

As a Corporation Sole and the Accounting Officer, I hold personal responsibility for directing and controlling the organisation but may delegate the exercise of my functions to any member of staff. As I have no Corporate Board as might be found in other public bodies, I have an Audit and Risk Assurance Committee (ARAC) to support me in my Governance role.

The ARAC support me, as Accounting Officer, in monitoring and reviewing financial management, corporate governance, risk management and internal control systems. The ARAC consists of five members and meets formally every quarter with me, my Business Management Team (BMT), and internal and external auditors. During the Covid-19 pandemic's period of heightened risk, I, along with the other members of my BMT, am meeting with my ARAC informally every quarter to enable us to focus upon specific strategic areas that are carrying a high degree of risk.

Each year, I am required to present an Annual Report of my activities to Welsh Ministers. My work is also subject to scrutiny by Audit Wales and Senedd Cymru Committees, as well as being debated in plenary in the Senedd. Additionally, Audit Wales audit the Annual Accounts. The Auditor General for Wales has given unqualified opinions in relation to all periods of account since establishment in 2008-09 through to 2019-20, and no issues of concern have been raised in the Annual Management Letters.

The internal auditors have never raised any significant issues, and any recommendations made are acted upon.

The ARAC undertake an annual review of both internal and external audit and is satisfied with the performance of both.

The focus of my work during 2020-21

As Wales went into lockdown, inevitably the focus of my work shifted significantly. Much of the work planned from April 2020 onwards was put on hold so that I could focus on protecting older people's rights and ensuring they could access help and support.

A summary of the action I have taken to respond to the issues and challenges presented by the pandemic is set out below:

Learning the Lessons and preparing for the next phase

I am working to ensure that the needs of older people, and their experiences during the Covid-19 pandemic, shape the decisions and action that is taken in Wales.

In August, I published 'Leave No-one Behind: Action for an age-friendly recovery', that sets out the action that is needed across a number of key areas to ensure that older people can get the support they need, are not excluded from society and can continue to make a significant contribution to our communities and economy.

The report is based on the experiences of older people, including those that I have engaged with directly, and also draws upon wider evidence to examine the impact of Covid-19 on older people and determine where changes and improvements are needed.

Protecting older people's rights

Earlier in the year I raised concerns that older people's rights may not have been sufficiently protected during the Covid-19 pandemic. I am working with the Equality and Human Rights Commission to scrutinise the decisions that have been made by the Welsh Government and other public bodies in order to identify improvements that can be made to ensure that older people's rights are protected.

I raised a number of concerns relating to older people's rights, and the impact of ageism and age discrimination on older people, when I gave evidence to Senedd Cymru's Equality, Local Government and Communities Committee in June 2020, and strongly welcomed their calls for action to reinstate, protect and promote older people's rights during the pandemic.

I will continue to work with the network of leaders that I established in March of key organisations that support older people throughout the UK, which includes the Older People's Commissioner for Northern Ireland, Age UK, Independent Age, Age Cymru, Age Scotland, Age NI and Scottish Care. The network is scrutinising the action being taken in response to Covid-19 by governments and public bodies across the UK to ensure that older people's rights are protected and will raise any concerns they may have with a powerful, collective voice. The network was influential in drawing attention

to and securing action on the issuing of blanket decisions relating to Do Not Attempt CPR notices.

Protecting and supporting older people living in care homes in Wales

From the beginning of the pandemic, I called on the Welsh Government to take more action to protect and support older people living in care homes in Wales, in particular the need for testing to be made available to residents and staff in all care homes, something that was initially precluded by the government's testing policy.

I called for a published action plan for care homes – covering key issues including access to testing, the supply of personal protective equipment, hospital discharge and financial security – to provide assurance to older people, their families and care home workers that the right action would be taken, at the right time, to protect and support them.

In June, I also published my 'Care Home Voices' report, as I was concerned that the voices of older people, their families and friends and those working in care homes – were not being sufficiently heard.

The report gives a voice to people living and working in care homes and provides a snapshot of their experiences during the pandemic. Its findings are based on over 120 responses to a series of questions about people's experiences in care homes during lockdown, the issues and challenges they have faced and the changes and improvements they would like to see.

The report includes a number of calls for action – based on what older people, their families and friends, and care home staff have shared – which set out what needs to happen, both immediately and in the longer-term, to ensure that older people living in care homes are kept safe and protected, and have the best possible quality of life.

Ensuring older people can access health and care services

I have been working to influence wider policy and decisions relating to health and social care, through ongoing engagement with and scrutiny of the Welsh Government and other key public bodies, and as a member of several key advisory groups and networks, such as the Covid-19 Moral and Ethical Advisory Group Wales, which published the ethical values and principles framework for healthcare delivery.

I am also working to ensure that the provisions in the Coronavirus Act 2020 – which removes the duties for local authorities to assess and provide social care services to those who are eligible, as set out in the Social Services and Well-being (Wales) Act 2014 – are repealed as soon as possible to ensure that older people's rights under the 2014 legislation are fully restored.

Supporting older people experiencing, or at risk of, abuse

I established an Action Group of over 30 organisations who are working together to ensure that older people can get the support they need to keep them safe and protected from abuse and crime.

The group has been raising awareness of the things that older people can do to keep themselves safe and protected, and the role the wider public can play in protecting older people. Alongside this, the group has been promoting the services and support available that can help older people, as well as encouraging people to report any concerns they may have about an older person's safety or well-being.

To support this, the group has produced an information pack, which provides useful information and resources about how older people can stay safe and protect themselves from abuse, scams and crime. The group has also issued several public statements to the media – relating to identifying abuse and reporting concerns, crimes and scams that have emerged during the pandemic.

Members of the action group have formed a Steering Group, to ensure a strategic approach to tackle issues that have arisen as a result of the pandemic and a number of long-standing issues relating to safeguarding and protection. They have developed a strategy that will be taken forward by the Action Group, which includes:

- Mapping the wider services and support available for older people who are experiencing or at risk of abuse, identifying gaps and good practice, and use this as a basis for putting in place the services and support required.
- Ensuring that data and evidence on abuse includes older people including by removing the age limit of 74 on England and Wales crime data.
- Enabling and empowering older people to feel confident to share their experiences of abuse encouraging others to speak out.

I have called on the Welsh Government to draw upon the work of the action group to develop and publish an all-Wales action plan to stop the abuse of older people and ensure appropriate resources are available to support its delivery.

Providing help and support to older people and their families

Alongside the direct support that I provide to individuals and their families via my Casework service, I developed a coronavirus information hub and accessible 'Q&A' section on my website to provide older people and their families with up-to-date information and guidance, as well as details about local services and support. Since its launch in March, the Hub and FAQs section have been visited by over 3,600 individuals. This will continue to be updated as new information and guidance becomes available.

I also used my social media channels to share the latest information and guidance from the Welsh Government and other key bodies and organisations, and in March I set up a new Facebook group – Together We Are Stronger – which provides a space for older people, their families and professionals to connect and chat, ask questions, post information and find out about help and support available to them.

Engaging with older people

Given the crucial role that engaging with older people plays in helping to guide and shape my work and priorities, I have arranged online engagement sessions throughout the pandemic to hear directly from older people across Wales about their experiences and the changes and improvements they would like to see, to ensure that

their voices guide the action and decisions taken by the Welsh Government and other public bodies in both the short- and longer-term.

I have also met regularly with the leaders of the key national older people's organisations in Wales to hear from them about the experiences of their members, and any issues and challenges they have faced, and to provide information and updates that can be cascaded to older people, particularly those who are not online.

The evidence captured during these engagement sessions has helped to shape my 'Care Home Voices' report and 'Leave No-one Behind: Action for an age-friendly recovery' report, as well as supporting wider scrutiny and work to influence policy and practice, both nationally and locally.

Engaging with the Welsh Government and other public bodies

I have worked constructively with the Welsh Government and other public bodies throughout the pandemic, but have not hesitated to hold them to account where I have felt that action has been insufficient to protect and support older people, raising concerns publicly where necessary to drive change and action.

I have been meeting weekly with the Deputy Minister for Health and Social Services and the Deputy Director General to raise issues of concern to older people; to highlight where older people's rights are threatened; to propose and follow up on areas for action; and to work to ensure that the latest information and guidance for older people is communicated effectively.

I am meeting regularly with the Welsh Local Government Association (WLGA), which is providing support to local authorities, to ensure that the action being taken at a local level meets older people's needs and does not exclude them from engaging with their communities.

Alongside this, my team and I will also be monitoring and scrutinising the work of health boards and other public bodies, examining whether the plans they have in place and the action that is taken will ensure that older people can access the services and support they need.

Casework

My powers under the Commissioner for Older People (Wales) Act 2006 allow me to provide assistance and support directly to older people, which is delivered through my casework team.

The casework team provides information, assistance and guidance to empower older people and their families and help them to understand and claim their rights. The team provides support so that older people and their families can challenge the decision-making and practice of public bodies and services and are able to navigate what are often complex systems, policies and processes, often in the most difficult and distressing of circumstances. In some cases, the casework team intervenes on behalf of an older person (subject to their consent). Whilst older people and their families

contact my office about a wide range of matters, historically, the most common issues relate to health services, housing, care and safeguarding and abuse.

During 2020-21, there has been an increase in enquiries to my Casework Team compared to the same period in 2019-20 and I have provided help and support to older people and their families on a range of issues relating to Covid-19. Whilst my office has been closed, I have ensured that older people contacting the office by phone or letter experienced no disruption in the service provided.

Forward plan

The significant impact the pandemic has had on many aspects of society has meant that I have had to revisit plans relating to a number of key pieces of work that were due to be delivered in 2020-21 and 2021-22.

For example, the focus of my #EverydayAgeism campaign, which was due to move into its second phase in April 2020, is being reconsidered, in light of the examples of ageism and age discrimination witnessed during the pandemic.

Similarly, my work examining transport to health services in Wales is being reviewed due to the significant changes we are seeing to the way that health services and transport services are being delivered and what this might mean for older people in both the short and longer term.

In August, I published 'Leave No-one Behind: Action for an age-friendly recovery', that sets out the action that is needed across a number of key areas to ensure that older people can get the support they need, are not excluded from society and can continue to make a significant contribution to our communities and economy. The key actions that are included within this recovery plan will be my primary focus over the next 6 months.

My 2021-22 business plan will be shaped by the circumstances we find ourselves in as we approach the winter and start the new year. Underpinning these plans will be extensive engagement with older people, a focus on protecting and promoting their rights, and longer term robust scrutiny of the decisions and action being taken by the Welsh Government and other public bodies in order to identify good practice and where appropriate use my statutory powers to hold others to account.

My team of 19 members of staff are fundamental to the delivery of my strategic plan and business plan. However, I will if necessary, also contract with external providers who have the relevant skills and expertise to undertake research in a specific area or provide expert advice on strategic priority areas.

The continuation of my team and I delivering impactful and vital change for older people is based upon my office continuing to be able to independently manage my own reserves as these underpin my medium term financial plan and also receive a minimum of £1,589,000 revenue funding from Welsh Ministers.

Website link: [Leave no-one behind – Action for an age-friendly recovery](#)

Appendix A

Annual Estimate 2021-24

I will strive to maximise the use of existing resources and deliver value for money.

To provide the Welsh Government with clarification on both the cash and resource budgets, they have been separated in the tables below.

Resource basis

Description	Estimate 2021-22 (£)	Estimate 2022-23* (£)	Estimate 2023-24* (£)
Income:			
Income from WG	1,589,000	1,589,000	1,589,000
Expenditure:			
Employment costs	1,214,358	1,210,397	1,205,048
Accommodation expenses**	151,708	154,720	155,910
ICT equipment and maintenance	65,381	64,164	64,750
Professional Fees and services	60,802	61,786	62,800
Other running costs	46,642	55,905	47,130
Programme	100,000	100,000	100,000
Total Resource Expenditure	1,638,892	1,646,972	1,635,637

*Indicative figures only

** Includes an estimate of the adjustment required for the implementation of IFRS16 – leases

Cash basis

Description	Estimate 2021-22 (£)	Estimate 2022-23* (£)	Estimate 2023-24* (£)
Income:			
Income from WG	1,589,000	1,589,000	1,589,000
Expenditure:			
Employment costs	1,214,358	1,210,397	1,205,048
Accommodation expenses	151,708	154,720	155,910
ICT equipment and maintenance	65,381	64,164	64,750
Professional Fees and services	60,802	61,786	62,800
Other running costs	35,319	45,165	36,692
Programme	100,000	100,000	100,000
Capital Expenditure	17,500	13,780	0
Total Cash Expenditure	1,625,068	1,630,012	1,625,200
Cash (outflow)/inflow	(36,068)	(41,012)	(36,200)

*Indicative figures only

** Commissioner's accommodation lease expires in August 2023, capital figures do not include any associated costs.

Notes:

Covid-19

The Covid-19 pandemic has contributed to my office realising significant savings against my 2020-21 Estimate projections. The reasons for these savings are two-fold. The primary reason being that much of the work planned for 2020-21 has been put on hold so that I can focus on protecting older people's rights and ensuring that they can access vital help and support. The secondary reason is the minor savings that have been realised as my staff continue to work from home in line with Welsh Government guidance.

Unless otherwise stated, the budgets within my 2021-22 Estimate and Medium-Term financial plan are both underpinned by the assumption that my expenditure on both programme costs and general running costs will return to pre-pandemic levels.

Inflation

The Consumer Prices Index 12-month inflation rate in August 2020 was 0.2%, down from 1.0% in July 2020. I will monitor the impact of any future inflationary price fluctuations and absorb any additional cost pressures that arise.

Employment costs

Staff costs make up the highest proportion of my expenditure. Being able to retain and recruit quality staff to deliver my statutory functions and my strategic plan is of the utmost importance.

I currently employ 19 members of staff, including 4 fixed term employees with 3 contracts ending in 2020-21.

I awarded a 2% cost of living award to my staff in 2020-21, however I was unable to match the Welsh Government 2020-21 cost of living award of 2.5%. For budgeting purposes only, an assumption has been made to allow for an annual 2% pay inflation award within employment costs for 2021-22 onwards.

Due to the restrictions on movement and social distancing requirements in 2020-21, significant savings against budgeted Travel and Subsistence costs were realised. I anticipate similar restrictions to be in place for part of 2021-22, therefore, my 2021-22 Travel and Subsistence budget has been set to 50% of my 2019-20 budget.

Employment costs include all expenditure on salaries and on-costs, including the salary costs of my Audit and Risk Assurance Committee members, staff training, travel expenses, DBS checks and recruitment expenses.

Accommodation expenses

Accommodation and office expenses include expenditure on rent, service charge, rates, security, utilities, and insurance.

Due to a reduction of funding in 2016-17, the previous Commissioner reduced expenditure through an in-depth review of the organisation's structure and operating model; one of the primary effects of this review was a reduction in staff from a WTE of

28.26 employees in 2015-16 to 19.40 in 2016-17, my WTE staffing levels have averaged 20.67 since 2017. This sustained reduction in staff has naturally led to a reduction in the amount of office space that is required.

During the early stages of 2020, I reviewed my current office provision and future office requirements and I concluded that I should relinquish 25% of my current accommodation footprint and commit to a longer-term lease in order to realise significant cost savings. However, Covid-19 has enforced a change in working practice as all members of staff are now working from home. This enforced change has made me review and reconsider the original proposal. My Business Management Team and I, supported by my Audit and Risk Assurance Committee, have decided that it would not be in the organisation's best interest to currently make a commitment to a long-term office lease or terminate the lease entirely without having a sufficient evidence base regarding working practices on which to make a decision. Therefore, it is my intention to remain in Cambrian Buildings until the lease termination date of August 2023. I will review my future accommodation requirements in 2022, or beforehand if sufficient clarity has crystallised on the shift in the office working culture that has arisen from the Covid-19 pandemic.

ICT equipment and maintenance

I have a medium-term ICT plan that will sustain existing systems into the future on an urgent and essential maintenance and replacement basis and is based on critical business need and increasing ICT and data security requirements. I receive no separate capital allocation and funding is met from the main cash allocation.

I continually invest in upgrading the ICT infrastructure, ensuring that the systems remain efficient and resilient to external threats. Where appropriate, these costs are depreciated or amortised over a four-year period.

Revenue costs include warranties and licence renewals for both software and hardware, the cost of the ICT maintenance SLA, PSBA Broadband SLA and a separate SLA for the records management database.

During 2019-20, my ICT systems have been independently verified and assurances have been given that the systems comply with the Cyber Essentials Plus Scheme, which is a government-backed cyber security certification scheme that sets out a good baseline of cyber security. The scheme addresses five key controls that, when implemented correctly, can prevent around 80% of cyber-attacks.

My continued investment in technology was critical for business continuity during the Covid-19 outbreak, as this enabled all staff to be able to work safely and effectively from home.

Professional Fees and services

Given the small size of the organisation, this heading includes expenditure on professionals who have specialist knowledge and skills that I do not retain in-house.

Historically, professional fees expenditure, particularly legal fees, have fluctuated. This is because, as in previous years, I will be required to act upon any unplanned, urgent, and important matters that are brought to my attention. However, this budget area also includes more stable lines of expenditure such as audit fees, translation costs and political and media monitoring. I have forecast a stable budget over the medium term with any overspends being funded by savings realised in other budget areas.

Other running costs

Other running costs include office consumables such as printing, telephones, stationery and postage as well as depreciation and amortisation costs. I have adopted a prudent approach for the procurement of office consumables and will continue to look for efficiencies in this area. I maximise the use of the National Procurement Service contracts where it is practical to do so.

Programmes

Additional expenditure will be incurred on a non-recurrent basis to gather evidence, undertake research and publish and promote findings and guidance. This is allocated on a discretionary basis and is used to discharge my statutory duties and support the delivery of my Strategic Plan.

Changes in Accountancy policy 2020-21

In January 2016, IFRS 16 – Leases was issued, and is effective for annual periods beginning on or after 1 January 2021. I have one operating lease for accommodation that has been affected by the introduction of this standard. The effect of the introduction of this accountancy standard on movements through the estimate has been minimal, with a re-classification of expenditure from rent within accommodation reserves to depreciation on right to use asset and a small interest charge. From April 2021, I will establish a right of use asset and a lease liability on my Statement of Financial position.

The treasury nominal rate for leases of 1.27% that has been issued within PES 2019 (11) has been used as the implicit interest rate as within the calculations. For this exercise I have assumed that I will remain as a tenant within Cambrian Buildings until the end of the lease in 2023.

Appendix B

Reserves

The Commissioner is funded by, but operates independently of, Welsh Ministers and Welsh Government and as Accounting Officer I am accountable to Senedd Cymru for the prudent and proper use of the public monies made available to me.

Statutory reserves at the 2019-20 year-end were £300,000. Being able to retain and manage my reserves is key to my independence.

Reserves have an important role to play within my overall financial management approach and are integral to the discharge of my statutory duties and successful delivery of my 2019-22 Strategic Plan 'Making Wales the best place in the world to grow older'. They also enable me to manage risk effectively, ensure business continuity and continuation of my ability to deliver against my statutory duties when faced with unforeseen and unforeseeable issues, either of a financial or service nature.

I have identified four specific reasons for which reserves need to be held:

- Act upon any unplanned, urgent and important issues that affect the lives of older people, which may include the undertaking of a Review using my Legal Powers. Such additional costs are very difficult to quantify but would probably be associated with legal proceedings and additional staff resources. (Ring-fenced reserve)
- Strategic financial planning - allowing me to accrue funds for significant planned expenditure in the longer term as well as being able to strategically manage concurrent work streams where associated expenditure may be greater than my main WG allocation.
- Ensure the general financial and business stability of the organisation (the General Reserve), in particular the need to be able to respond to unforeseeable operating costs e.g. longer-term staff absences.
- Mitigate specific risks identified within the Strategic Risk Register and provide financial security against those risks. These are included within my medium-term financial plan as there is a certainty, or high degree of certainty, of them crystallising.

I have ringfenced my reserves to distinguish between the general reserve and an 'Urgent and unplanned review' ringfenced reserve. This 'Urgent review' reserve exists to enable the mitigation against some of the financial risk that would arise from undertaking an unplanned and urgent investigation, including a Section 10 Examination. In order to undertake an examination of this kind I will require additional resource and legal representation. Therefore, to be prudent, £70,000 has been ringfenced. This balance will be reviewed annually by my Business Management Team and my Audit and Risk Assurance Committee (ARAC) to ensure that it remains appropriate.

The general reserve strategy has been set at 5% of income, which currently equates to £80,000. This reserve would be used for three purposes; ensuring financial and business stability; supporting strategic financial planning; and mitigating against specific risks identified within the Strategic Risk Register.

The overall level of reserves that I hold will fluctuate depending on my published business plan and a range of operational issues, for example lease termination dates and unplanned long-term staff absences from work. However, in the medium term, it is not anticipated that the level of general reserves will fluctuate significantly beyond £150,000. The planned level of reserves is formally included within each annual medium-term financial plan which is shared quarterly with my ARAC and my Internal and External auditors.

As part of my overall approach to financial management, I maintain a rolling three-year financial plan which is aligned to and underpins my Strategic Plan, the implementation of which reflects the discharge of my statutory duties.

The table below is an extract from the Estimate and provides a projection of revenue expenditure over the following three years.

	2020-21 (£)	2021-22 (£)	2022-23 (£)	2023-24 (£)
Opening reserve balance	299,819	299,819	249,927	191,955
Movement	0	(49,892)	(57,972)	(46,637)
Closing reserve balance	299,819	249,927	191,955	145,318

Given the level of uncertainty the forecast balances are underpinned by assumptions on organisational structure, inflation (CPI) and the continuation of a flat line budget. The reserves balance also represents both general reserves and reserves set aside for anticipated costs.