

## Estimate 2026-2027

### 1. Introduction

1.1 In line with paragraph 9(2) of Schedule 1 of the Commissioner for Older People (Wales) Act 2006 (the Act), I am required to submit an annual revenue budget to the Welsh Government (the Estimate).

1.2 Within this document I have evidenced the continued budgetary pressure that my organisation faces, and I request that the total 2026-27 resource budget be increased by 3.0% or £52,000 to £1,800,000 from the 2025-26 budget of £1,748,000 (original £1,730,000 and £18,000 additional income for 86% of the National Insurance increase).

### 2. Current financial situation and evidence of cost savings

2.1 Over a number of years, the organisation has dealt with increasing costs through prudent financial management and decision making, which includes a 5% budget cut in 2024-25. This has resulted in significant financial constraints and has had an adverse impact on the operational ability of the organisation, which is not sustainable.

2.2 All cost-saving measures have been implemented and are firmly embedded into the organisation's financial practices and operational processes.

2.3 The organisational workforce structure is continually reviewed, and I currently employ a team of just 17.0 FTE, from a level of 18.5 FTE in 2023-24, which is an 8% reduction in the last two years.

2.4 Value for money is achieved through effective procurement, which minimises employment costs by out-sourcing services such as management of I.T networks and infrastructure.

2.5 The cumulative effect of the individual pressures on the 2026-27 budget will have an impact on the organisation. Not receiving additional funding for next year threatens to reduce the organisation's operational effectiveness, increasing the risks associated with statutory and legal compliance, and threatens my ability to carry out my statutory functions as Commissioner.

### 3. Budget request for 2026-27

3.1 This funding request demonstrates that it is not sustainable for my resource budget to remain at its current level of £1,748,000. I am forecasting a deficit of £52,000 for 2026-27 if the budget remains at the 2025-26 level.

3.2 The table below evidences that this growth is primarily driven by employment costs. This is due to anticipated future cost-of-living awards, the extra 0.75% from the budgeted 3% level for 2025-26, and contractual incremental rises, rather than an increase in the number of employees or an increase in the median salary costs of the organisation. The audited annual reports evidence that the median salary has increased due to cost-of-living awards and a reduction in employee numbers, rather than a change in organisational structure during the last three years.

3.3 I believe one of the most challenging parts of the role will be reaching older people who are in the greatest need of support. As Commissioner, it is my role to ensure that these voices are heard, which is also a statutory function of the role.

3.4 The increase in the work programme budget will ensure that my team and I are able to reach more older people across Wales, in the communities that they live, engaging in person directly to hear and understand the factors that contribute to their wellbeing and the concerns they have. This budget will support the delivery of my work programme outcomes, which provides a framework to guide the action and decisions taken by public bodies and services across Wales.

## Budget request for 2026-27

<b>Resource budget request</b>	<b>2026-27</b>	<b>Variance from latest 2025-26 budget</b>	<b>Note</b>
Employment costs (3.75% cost of living in 2025-26, 2.2% 2026-27)	1,375,000	37,000	Point 4.1
Other employment costs	35,000	-	
Accommodation costs	48,000	-	
IT Expenses	81,000	-	
Professional Fees	53,000	-	
Overheads	71,000	-	
Work Programme	105,000	15,000	Point 3.4 and 4.12-4.16
<b>Revenue</b>	<b>1,768,000</b>	<b>52,000</b>	
Depreciation	32,000	-	
<b>Total resource budget request</b>	<b>1,800,000</b>	<b>52,000</b>	
<b>Cash Grant – in aid request</b>			
Total resource budget	1,800,000	52,000	
Less non cash (depreciation- excl IFRS16)	(16,000)	-	
Less Cash retained in excess of agreed 5%	-	9,000	
Add Cash needed for rental payments (including VAT)	23,000	-	
Less IFRS16 accounting adjustments (interest plus depreciation)	(18,000)	-	
<b>Total Cash Grant-in-aid request</b>	<b>1,789,000</b>	<b>61,000</b>	

## 4. Longer term budgetary impact

### Staff costs

4.1 In April 2025, the employers National Insurance rate increased from 13.8% to 15%. To date, 86% of this increase has been allocated as extra resource funding for 2025-26, but no extra budget has been provided for the 14% balance. During 2025-26, it was confirmed that the cost-of-living increase would be 3.75%, however the original and amended resource budget allocated has remained at 3%. Although a further £10,025 has been requested from the Welsh Government for the extra 0.75%, to date this has not been confirmed. The 2026-27 increase in staff costs assumes that the baseline for 2025-26 is a 3.75% increase in staff costs.

4.2 I constantly review staff numbers and resource allocation when opportunities arise, and have shown a reduction in recent years in whole time equivalents from 18.5 in 2023-24 to 17.0 in 2026-27.

4.3 For 2026-27, a 2.2% cost of living increase has been budgeted. If adequate funding is not provided by the Welsh Government, my organisational structure would need to be reviewed to make cost savings. However, with the reduction in staff numbers already reviewed to the minimum, supporting the delivery of my work programme will be affected if any further organisational restructure is required, as well as the disruption to the ability to deliver impactful work for older people while this process is being completed.

4.4 The further reduction in the number of staff employed would also have a significant impact on my ability to undertake my statutory duties.

## Work programme

4.12 During my first year in post, I travelled throughout Wales meeting and speaking with hundreds of older people to hear directly about the issues and challenges affecting their lives, and the changes and improvements they would like to see.

4.13 The voices of older people shaped my Strategic Plan 2025-28, which sets out my strategic objectives over the next three years:

- Driving change to make Wales a place where people can live and age well
- Empowering older people
- Changing the narrative about older people and ageing

4.13 My yearly work programme details the specific action that I will take to reach older people across Wales and deliver the improvements older people want and need to see.

4.14 My work programme budget ensures that my team and I are able to scrutinise legislation, guidance, decisions and service delivery across areas including health, social care, transport and community-based services; undertake research on specific matters, examining older people's experiences; monitor attitudes towards older people and growing older across the discussion and debate that underpins public discourse; and measure the extent to which policy and practice across Wales reflect the rights and needs of older people.

4.15 Hearing directly from older people in the communities that they live is at the heart of my approach to measuring impact and outcomes, through ongoing engagement across Wales, as well as special events, focus groups, surveys and consultations.

4.16 None of this can be completed without the necessary budget allocated to these activities.

## 5. Conclusion

5.1 The organisation has continued to provide evidence to the Welsh Government that cost savings have been identified and are embedded in the organisation's operational and financial practice.

5.2 The organisation has also demonstrated that it is not sustainable to receive a flat line budget year on year, or a further budget cut.

5.3 I fully accept and understand that the Welsh Government's funding decisions for 2026-27 will be challenging, but seeking a 3% increase from the 2025-26 budget will ensure that I am able to carry out my statutory duties and work for a Wales that leads the way in empowering older people, tackling inequality and enabling everyone to live and age well.