



Older People's Commissioner for Wales
Comisiynydd Pobl Hŷn Cymru

Older People's Commissioner for Wales Financial Plan

2014-15

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1. My role as Commissioner

- 1.1. The Older People's Commissioner for Wales is an independent voice and champion for older people in Wales, standing up and speaking out on their behalf.
- 1.2. As Commissioner I am the Accounting Officer and I am required to submit an annual budget (the Estimate) to Welsh Ministers under paragraph 9(2) of Schedule 1 to the Commissioner for Older People (Wales) Act 2006. It sets out the net cash financing that is estimated will be needed from the Welsh Government for me to discharge the statutory functions of Commissioner.
- 1.3. The Commissioner's functions are laid down in the Commissioner for Older People (Wales) Act 2006 (the Act). This legislation forms part of my governance framework but more importantly enables me to:
 - Promote awareness of the rights and interests of older people in Wales.
 - Challenge discriminations against older people in Wales.
 - Encourage best practice in the treatment of older people in Wales.
 - Review the law affecting the interests of older people in Wales.
- 1.4. My work is driven by what older people, and those who care for and support them, say matters to them. On-going, direct engagement with older people and with those who represent and support them, ensures that my work reflects the issues that matter most and has an impact upon the lives of those aged 60 or over in Wales. I also undertake specific research that gives voice directly to older people so that their experiences are at the heart of the Commissioner's priorities and the decision making of others.
- 1.5. I do all of this to ensure that older people's voices are heard and that the issues that matter to them are addressed. My aim is to secure positive and meaningful change for ALL older people throughout Wales.

2. What has the Commissioner achieved so far?

2.1. My Impact and Reach Report for 2012-13 'Standing Up, Speaking Out' was published and presented to older people on 26 June 2013 and was considered by the National Assembly for Wales on 16 October 2013 as part of my Annual Report.

2.2. The Impact and Reach report details the work that has been undertaken since I took up post in June 2012. Some of the highlights are summarised below:

- On day one I launched an Engagement Roadshow, travelling extensively across Wales, meeting and speaking with a diverse range of older people. I have met with over 135 groups of older people in local communities across Wales, reaching out to more than 4,000 older people.
- Through my Enquiries and Support Team help, support and advice has been provided to over 1,000 older people. In addition I sought the views of over 700 older people directly about the best things about growing older, the worst things about growing older and what changes they wanted to see.
- I have used the voices of older people to deliver my work programme – in particular I have:
 - Published 'Dignified Care – One year on' assessment;
 - Reviewed Health Board reconfiguration and publication of guidance on engagement and equality impact assessment arrangements;
 - Established a Raising Concerns National Partnership Board;
 - Published 'Voice, Choice and Control' – a case for improved independent advocacy support to older people;
 - Gave evidence in response to the Social Services Bill including the need for principles upholding older people's rights on the face of the Bill;
 - Provided Local Authorities with good practice guidance and required specific improvements in the length of time older people were waiting for Disabled Facilities Grants to fund aids and adaptations in their homes

- Delivered practical information sessions with older people to raise awareness of their new rights under the Equality Act 2010;
 - Established the Ageing Well in Wales Collaborative Partnership which focuses on the development and implementation of integrated approaches to support older people to maintain their independence as they grow older; and
 - Provided advocacy and support to individuals who have found themselves in positions of extreme vulnerability where no other agency has the expertise or authority to intervene.
- I have also worked in partnership with other public service bodies, national and local governments and others to grow Wales' understanding of the issues that matter to older people and the changes that are required.
 - I have held Information Days in community venues throughout Wales. These Information Days helped strengthen partnerships with local public and third sector organisations as well as provide specific local information to older people about the services and support available to them.
 - I have responded to a number of consultations to ensure that the issues that matter to older people are reflected across the breadth of Welsh Government portfolios, policies, strategies and legislation.

2.3. More detail can be found in my Impact and Reach Report 'Standing Up, Speaking Out'; copies are available on my website www.olderpeoplewales.com

3. What difference does the Commissioner aim to make?

- 3.1. I have published my Framework for Action 2013-2017 which clearly outlines my priorities, the changes I expect to see in Wales and how I will drive forward improvements in older people's lives over the next four years, helping make Wales a good place to grow old, not just for some, but for everyone.
- 3.2. The five priority areas identified by older people are highlighted below:

| | |
|----------------|---|
| Priority One | Embedding the wellbeing of older people at the heart of public service |
| Priority Two | Driving up the quality of – and availability and access to – health and social care |
| Priority Three | Protecting and improving community services, facilities and infrastructure |
| Priority Four | Standing up for older people who are at risk of harm and ensuring that they are safeguarded and protected |
| Priority Five | Tackling prejudice, inequality and discrimination |

- 3.3. In 2013-14, I have started to track my expenditure against these priority areas; whilst this can never be an exact science; I believe it provides a more meaningful picture of how I spend the funding made available to me than through standard budget code headings.
- 3.4. The structure of the Framework for Action lays out the context of each priority area, the changes I expect to see for older people, evidence of that change that I will look for, as well as the part I will play, as Commissioner, in achieving that change.
- 3.5. More detail is available within the Framework for Action which is available on my website www.olderpeoplewales.com

4. Using the resources wisely

- 4.1. I am required to submit an annual budget (the Estimate) to Welsh Ministers under paragraph 9(2) of Schedule 1 to the Commissioner for Older People (Wales) Act 2006. It sets out the resources required to discharge the Commissioner's statutory functions and the associated net cash financing that is estimated will be needed from the Welsh Government.
- 4.2. The Estimate for 2014-15 is included within Appendix A. An indicative resource requirement for future years has also been highlighted to facilitate the Welsh Government budgetary planning process; this is included in Appendix B.
- 4.3. I lead a management team of four Directors and 30 other staff. My work is predominantly delivered by these staff. Occasionally I will contract with external providers who have the relevant skills and expertise required; this is usually to undertake research in a specific area.
- 4.4. My budget also funds the running costs of my office. Further information on the resources expended by my office is available in the Annual Accounts which are published on my website www.olderpeoplewales.com

Scrutiny

- 4.5. Older People in Wales and Welsh Government must have confidence that the resources made available to me are used in the best way. I want to demonstrate the effectiveness of the organisation and the impact made from the money I receive.
- 4.6. I am funded by but am operationally independent of Welsh Ministers and am accountable to the National Assembly for Wales for the use of my funding.
- 4.7. I have established an Audit and Risk Assurance Committee to support me as Accounting Officer in monitoring and reviewing corporate governance, risk management and internal control systems. The Committee consists of four independent members.
- 4.8. Each year I am required to formally present an Annual Report of my activities to the First Minister for Wales. My work is also subject to scrutiny by the Wales Audit Office and National

Assembly Committees and has to date been considered as part of plenary debate in the Senedd.

4.9. My Annual Accounts are audited by the Wales Audit Office (WAO). Unqualified opinions have been given by the Auditor General for Wales in relation to all periods of account since establishment in 2008-09 through to 2012-13 and no significant concerns have been raised in the WAO's Annual Management Letters.

Measuring performance and impact

4.10. I aim to lead a high performing organisation. There are many definitions of high performing organisations but one key characteristic is alignment, whereby:

- the strategy to deliver is clear and comprehensive;
- the structures are built around effective delivery of the strategy; and
- the systems are lean and performance measures point in the same direction.

4.11. Other characteristics include agility; the ability to respond and to learn quickly; an organisation where staff are engaged and focused and are resilient when working in a challenging and complex environment.

4.12. I am working within a complex and changing operating environment. Most public services are facing a growth in demand for their services and increasing financial challenges; my organisation is not immune from those pressures.

4.13. I am able to demonstrate effectively what my work achieves for older people in Wales by ensuring that:

- my work continues to be driven by what older people, including those whose voices are not always heard, tell me matters most to them;
- my work is relevant to ALL older people across Wales, inclusive of location, race, gender, language, disability, sexual orientation, religion or belief;
- my work uses the skills, knowledge and experience of older people to both support other older people and to drive forward change;

- I work in partnership with others across the public and third sectors to drive forward change in the lives of older people;
- I am ambitious, bold, challenging and independent, but also strongly supportive of those who are working to improve the lives of older people in Wales.

4.14. Every year I will publish an annual ‘Impact and Reach’ report, which will form the heart of my statutory Annual Report. This will be presented to older people at an annual open meeting.

4.15. Older people’s voices will, and should be, the ultimate test of how effective my work and my role are and whether I am delivering the change they want and need to see.

4.16. I will also publish an annual assessment on the overall quality of life for older people in Wales, looking at how other public services in Wales are performing.

Responding to financial pressures

4.17. When the organisation was formed a three year funding allocation was agreed by the Welsh Government of £5million with £1.8million allocated in 2010-11 indicating the net cash funding requirement for a fully operational organisation.

4.18. The organisation has in recent years successfully managed reductions in available funding, as summarised below:

| Financial Year | Cash Allocation £M |
|----------------|-----------------------|
| 2010-11 | 1.8 |
| 2011-12 | 1.747 |
| 2012-13 | 1.732 |
| 2013-14 | 1.715 |
| 2014-15 | 1.715 |

4.19. I have taken action to ensure that the most efficient and effective controls are in place to manage financial expenditure. this includes but is not limited to:

- **Restructuring of staff roles**

In January 2013 I commenced a restructuring exercise, commencing with the Senior Management Team. There were five explicit aims of my restructure:

- i. To ensure a management structure which provides strong strategic direction and clear lines of accountability and enhances performance of the whole organisation.
- ii. To ensure a lean and efficient organisational structure that maximises, and appropriately allocates the use of funding. This reflects the proportionality of the respective organisational priorities.
- iii. To ensure all roles, responsibilities and activities are tightly aligned to business priorities and operational deliverables of the organisation. Consequently the business of the organisation will be delivered within a strong and effective performance management framework.
- iv. To ensure that the organisation has a motivated, flexible and dynamic workforce with the correct knowledge, skills, attributes and competencies to deliver the agreed business objectives of the organisation.
- v. To ensure that the organisation is not only able to deliver on its published work programme but has the organisational competencies and skills necessary to adapt to a rapidly changing external environment, with the minimum of disruption.

The outcome of the restructuring has been to reduce the recurring cost of the senior management team by £60,000 per annum. This funding has been redistributed to other priority areas. Further restructuring is taking place in 2013/14 which will allow me to redistribute further recurrent savings of approximately £50,000.

- **Reporting and monitoring of expenditure**

I ensure regular budget holder meetings take place to ensure the rigorous monitoring and review of budgets, expenditure and understanding and control of variances.

As stated earlier, I am in the process of implementing a programme budgeting approach to monitoring and thereby controlling my expenditure. This will provide a more

meaningful picture as to how and where I have applied my funding.

My internal auditors will review the arrangements in the key area of budgetary control every year as part of their work programme, to guard against complacency and ensure compliance.

- **Role of internal and external auditors**

I have assured my Audit and Risk Committee that any recommendations made in the reports of internal and external auditors will be actioned promptly to improve the financial control environment.

Internal Audit has consistently provided assurance that I have in place a sound system of internal control which should provide substantial assurance regarding the achievement of my priorities.

The WAO, my external auditors, have not raised any control weaknesses in the preparation of my Annual Accounts or in the way in which I make use of resources.

- **Collaboration with other organisations**

I consult with key stakeholders and partners in other public sector and third sector organisations to avoid duplicating the work of others.

I have also identified opportunities to pool resources – people and money - when appropriate and work together with partner organisations to deliver shared objectives. Examples include joint events with Age Cymru and the Ageing Well Collaborative.

I have encouraged my staff to meet with those working in other organisations; to ensure that good practice is shared and opportunities for collaboration are maximised. I have successfully worked with staff on secondment from other public sector and third sector organisations such as the WLGA, Care and Repair Cymru, Royal Voluntary Service and General Teaching Council for Wales and will continue to pursue such opportunities to fill any positions that arise.

5. Identification and management of financial risks

Attitude to risk

- 5.1. Good financial planning requires a clear vision, set objectives, identification and assessment of risks and opportunities and determination of priorities. There are of course uncertainties involved in any budget and planning process, even for a single year and that increases as the period lengthens.
- 5.2. Risk management is integral to the operation of my organisation. My risk management processes identify and manage risks which affect my work, look equally at the opportunities that might arise, and put in place controls and mitigating actions to help protect the organisation from the consequences of risk.
- 5.3. All staff within my office have some responsibility for risk management and internal controls in order to achieve their set individual objectives and hence my overall aims and priorities.
- 5.4. A positive approach to risk management means that I will not only look at the risk of things going wrong, but the impact of not taking opportunities or not capitalising on corporate strengths.

Financial risk assessment

- 5.5. The resources available to me are limited and in order to progress towards my objectives I, like other publically funded organisations, need to prioritise spending plans for 2014-15.
- 5.6. The significant financial risks for me to manage in 2014-15 and future years are set out below:

- **Perception of ineffectiveness**

It is vital that I am able to demonstrate and articulate the difference it makes to the lives of older people.

Older people are not a homogenous group. They are individuals with a broad range of needs and expectations. My work programme reflects this diversity and tackles issues concerning life expectancy, deprivation, health,

housing and social care, unpaid carers, living on a fixed income, transport, and much more.

I aim to ensure that the work reflects what older people in Wales want. This may not always equate to what other people and organisations expect from me.

I need to continue to raise an awareness of the Commissioner's role whilst prioritising the work I am able to undertake with the limited resources available to me. I will therefore continue to invest in my Engagement Roadshow and make available information about my role and my work e.g. publication of reports, attendance at key events, improvements to my website and use of social media.

A particular focus as part of my Equality Plan will be to ensure I am accessible to ALL older people inclusive of where they live, race, gender, language, sexual orientation, disability, religion or belief.

- **Further reductions in funding**

The Welsh Government has indicated a funding level of £1.715M for 2014-15 and future years.

Approving a medium term funding envelope allows me the opportunity and means to effectively plan one year to another and to ensure that activities linked to my statutory functions can be sustained from one year to the next including the follow up of recommendations made and guidance issued in prior years.

By 2016-17 I will have fully utilised any surplus cash balances carried over from prior years and will therefore have less resources available to undertake research and conduct large scale reviews into the treatment and experiences of older people. It is highly likely therefore that I will in future years need to submit an Estimate requesting additional funding to support such activities if the need arises and where they are identified as priorities. By 2016-17 I will also be unable to source any contingency funds for such unplanned work.

The number of people aged 65 and over is projected to increase by around 306,000 or 55% between 2012 and 2035. There is also evidence that older people are at risk of being disproportionately affected by the impact of budgetary reductions made by UK and Welsh Governments. I can already evidence therefore an increase in the demand for my direct support services and an increase in the likelihood for me to scrutinise the decision making of other bodies and when required to intervene on behalf of older people.

Opportunities to share resources and work in partnership with others will continue to be sought to minimise the impact of reductions in my funding allocation. Staff costs are the main cost base, however having undergone a restructuring in 2013, which released savings of just under 6% there is unlikely to be further savings from staff costs. The savings I have already released have been committed to one or more of my priority areas.

It is also unlikely that as a small organisation I will obtain much benefit from economies of scale.

- **Availability of cash balances for future years**

In 2014-15, I am able to meet my recurrent obligations from my annual cash allocation. There is no reliance on non-recurrent funding to sustain staff costs or the committed running costs of the organisation. This is dependent however on no further reductions in my funding allocation.

There is a plan in place to make the most effective use of cash resources brought forward from prior years to deliver areas of my work on a non-recurrent basis. This currently includes:

- research into abuse of older people;
- following up on the recommendations made in Dignified Care, the review into the treatment of older people in hospital;
- a contribution to the Ageing Well Collaborative; and
- the undertaking of a formal review into the quality of life experienced by older people in care homes.

Any unutilised cash balances at the end of 2013-14 will be carried forward to support activities in 2014-17.

5.7. I aim to manage these financial risks by:

- reporting on the impact of my work in an open and transparent way;
- reviewing my decision making and planning processes, using internal audit and the Audit and Risk Committee to provide scrutiny; and
- integrating further risk management and internal controls as part of good corporate governance; promoting a culture of more innovative and less risk averse ways of working.

6. Conclusion

- 6.1. This Estimate has been prepared recognising the continued financial pressures the public sector in Wales and the citizens of Wales are facing. I will through prudent review of priorities and resources be able to meet the request of Welsh Government and seek £1.715million net cash funding for 2014-15.
- 6.2. I anticipate however that there will be an increase in the demand placed upon me to act and support older people in Wales in 2014-15 and future years. I have already restructured internally which has freed up resources to put into my priority areas. I am confident that my return on investment and productivity has increased significantly over the last year. However I do consider that I am operating at capacity; further savings and efficiencies beyond 2014-15 will be limited. **I must signal now my concerns that I will not be able to sustain additional reductions in funding without there being an impact on my ability to effectively discharge my statutory functions in the interests of older people in Wales.**
- 6.3. I will strive to maximise the use of existing resources, and strengthen the alignment between financial management and the measurement of my performance against the priorities set out in the Framework for Action. Resources will be targeted to those areas that older people in Wales tell me will have the greatest impact for them.

Appendix 1 Annual Estimate 2014-15

I am required to submit an annual Estimate to Welsh Ministers under paragraph 9(2) of Schedule 1 to the Commissioner for Older People (Wales) Act 2006. It sets out the resources required to discharge my statutory functions and the associated net cash financing that is estimated will be needed from the Welsh Government.

Welsh Ministers are required to then lay the Estimate, with or without modifications before the National Assembly for Wales in accordance with paragraph 9(3) Schedule 1 to the Commissioner for Older People (Wales) Act 2006.

The 2014-15 Estimate for the Older People's Commissioner is set out below:

| Description | Estimate 2014-15 |
|-----------------------------|---------------------|
| | £ |
| Expenditure: | |
| Employment costs | 1,256,698 |
| Accommodation costs | 136,013 |
| Office expenses | 42,650 |
| ICT expenses | 41,763 |
| Communications | 56,000 |
| Other running costs | 79,738 |
| Work Programmes | 111,000 |
| Contingency | 50,000 |
| Total Expenditure | 1,773,862 |
| Less: | |
| Use of cash balance b/f | 50,834 |
| Non cash movement | 8,028 |
| Net cash requirement | 1,715,000 |

Notes:

Employment costs

The Commissioner currently employs 30 staff. It is unlikely that staff numbers will rise significantly in future. The Commissioner has also appointed four Audit Committee members; their costs are included under this heading.

Employment costs also include all expenditure on training and expenses.

No cost of living (pay inflation) award has been paid to staff since 2010-11. Incremental increases have been awarded as these were set out in contractual agreements.

For budgeting purposes only, an assumption has been made to allow for a 1% pay inflation award in future years. The Commissioner does not yet recommend this award and will take into account pay awards made to others working within the public sector in Wales before reaching a decision.

The Commissioner's pay is set by Welsh Ministers. For budgeting purposes only an inflationary increase of 1% has been included for future years.

Accommodation and office expenses

Accommodation and office expenses include expenditure on rent, rates, security, utilities, stationery and insurance. The Commissioner has adopted a prudent approach for the procurement of office consumables and will continue to look for efficiencies in this area.

The Commissioner operates only one office; the lease conditions are fixed for five years and the agreement was renewed in 2013-14. The Commissioner took advice from surveyors in the Welsh Government Estates team as to market conditions and rates.

RPI in September 2013 was 3.2% and CPI was 2.7%. The Commissioner will monitor the impact of inflationary price fluctuations and absorb any additional cost pressures that arise.

ICT equipment and maintenance

The Commissioner has invested in joining the Public Sector Broadband Agreement in 2013-14 which will improve the functionality of her ICT

systems and help to improve the security of information sharing systems.

ICT expenditure is unlikely to rise above existing levels which includes maintenance contracts for existing systems. A rolling programme of ICT replacement over the next 3-5 years is in place and is based on critical business need.

Communications and Engagement

One of the functions within the Act is to promote awareness of the interests of older people in Wales. Expenditure on engagement and communications is therefore critical to reach older people across Wales in order for the Commissioner to provide promptly the most appropriate assistance.

Other running costs

Other running costs would include expenditure on, audit fees, translation costs, legal fees as well as depreciation and amortisation costs.

Depreciation costs reduce significantly in 2014-15 as most assets initially purchased in 2008 will become fully depreciated. This cost reduction is not sustainable as new assets will need to be purchased at some point in the future, albeit on a business critical and rolling programme basis.

Work Programmes

Additional expenditure will be incurred on a non-recurrent basis to gather evidence, undertake research and publish findings and guidance. This will include but not be limited to:

- Review into the Quality of Life in Care Homes
- Ageing Well Collaborative
- Research into Adult Protection, Domestic Abuse and Hate Crime
- Research into the impact of public service change on older people living in Wales

Contingencies

A contingency for general operational purposes and for the unplanned provision of assistance, reviews and examinations to older people in Wales has been allocated.

The working assumption is that any unutilised cash balances at the end of 2013/14 will be carried forward to support activities in 2014-17.

The Commissioner has previously agreed with the Welsh Government the need to retain a reasonable level of contingency to exercise the statutory functions within the Act but importantly to also act upon unplanned, urgent and important matters that are brought to my attention by older people in Wales regarding the services that they receive.

Such additional costs are likely to be associated with legal proceedings, additional staff resources and the provision of other forms of assistance to older people as set out in the Act.

Recurring reductions in funding mean that this contingency is now funded through non recurrent cash resources. In the event that further funding requirements are identified the Commissioner will engage with Ministers at the earliest opportunity.

Non cash movement

This relates to those costs where there is a charge to the expenditure account but no cash payment e.g. movement on creditors and debtors, as well as depreciation and amortisation charges.

Appendix B 2014-17 Financial Plan

2014-17 Financial Plans

| Description *Indicative figures only | Estimate 2014-15 £ | Estimate 2015-16* £ | Estimate 2016-17* £ |
|---|--------------------------|---------------------------|---------------------------|
| Expenditure: | | | |
| Employment costs | 1,256,698 | 1,326,929 | 1,362,277 |
| Accommodation costs | 136,013 | 138,869 | 141,820 |
| Office expenses | 42,650 | 43,333 | 44,049 |
| ICT expenses | 41,763 | 40,575 | 44,454 |
| Communications | 56,000 | 56,000 | 56,000 |
| Other running costs | 79,738 | 81,481 | 81,571 |
| Work Programmes | 111,000 | 91,000 | 66,000 |
| Contingency | 50,000 | 50,000 | 50,000 |
| Total Expenditure | 1,773,862 | 1,828,187 | 1,846,171 |
| Less: | | | |
| Use of cash balance b/f | 50,834 | 105,159 | 126,383 |
| Non cash movement | 8,028 | 8,028 | 4,788 |
| Net cash requirement | 1,715,000 | 1,715,000 | 1,715,000 |