

Parliamentary and Health Service Ombudsman

Supplementary Estimate Memorandum for 2020-21

1 Overview

1.1 The role of the Parliamentary and Health Service Ombudsman

The Parliamentary and Health Service Ombudsman (PHSO) was set up by Parliament to provide an independent complaint handling service. We make final decisions on complaints that have not been resolved by the NHS in England, UK government departments, and some other UK public organisations.

The PHSO's vision is to be an exemplary public services ombudsman by providing an independent, impartial and fair complaints resolution service, while using our casework to help raise standards and improve public services.

We intend to do this through the following three objectives:

Objective 1 - To improve the quality of our service, while remaining independent, impartial and fair.

Objective 2 - To increase the transparency of our casework.

Objective 3 - To work in partnership to improve public services, especially frontline complaint handling.

The Ombudsman is a Crown appointment, independent of government, but accountable to Parliament. The work of PHSO is scrutinised by the Public Administration and Constitutional Affairs Committee.

1.2 Spending Controls

PHSO's net spending is broken down into a number of spending totals, for which Parliament's approval is sought.

The spending totals which Parliament votes are:

- Resource Departmental Expenditure Limit (Resource DEL) - a net limit that fund day-to-day running costs
- Capital Departmental Expenditure Limit (Capital DEL) - investment in capital projects such as ICT infrastructure
- Annually Managed Expenditure Limit (AME) - the change in the amount we need to set aside for provisions from the previous year
- Net cash requirement (NCR) which is designed to cover the elements of the above budgets which require PHSO to pay out cash in year.

1.3 Comparison of spending totals sought

Net spending total		Compared to original budget		Compared to final outturn last year	
		(Main Estimate 2020-21)		(Outturn 2019-20)	
Amounts sought this year (Supplementary Estimate 2020-21)		£m	change %	£m	change %
Resource DEL	30.291	0.200	1%	3.006	11%
Capital DEL	2.1	0.000	0%	0.024	1%
AME	0.7	0.000	0%	0.864	527%
Net cash requirement	32.563	0.000	0%	4.159	15%

1.4 Key drivers of spending changes since original budget

PHSO is requesting the following additional funds:

£200k within the Resource DEL budget to fund an anticipated increase in the Leave Pay Accrual as at 31 March 2021. An increase is anticipated due to staff not utilising all their leave due to COVID-19.

1.5 New policies and programmes, ambit changes

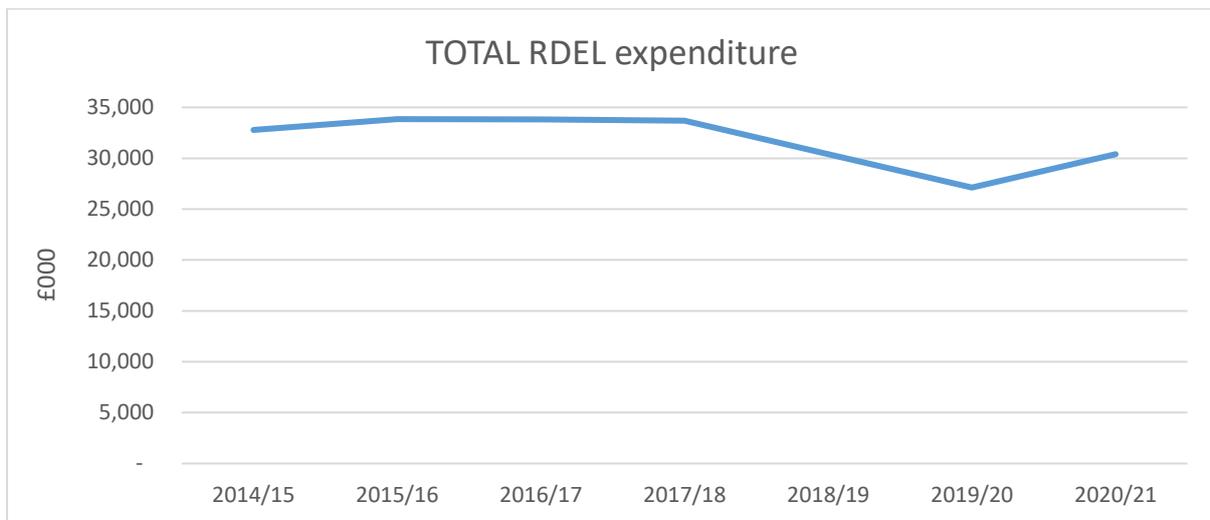
PHSO need to include the following income in its ambit for 2020/21:

*Monies received from the recovery of costs or miscellaneous income not classified elsewhere.

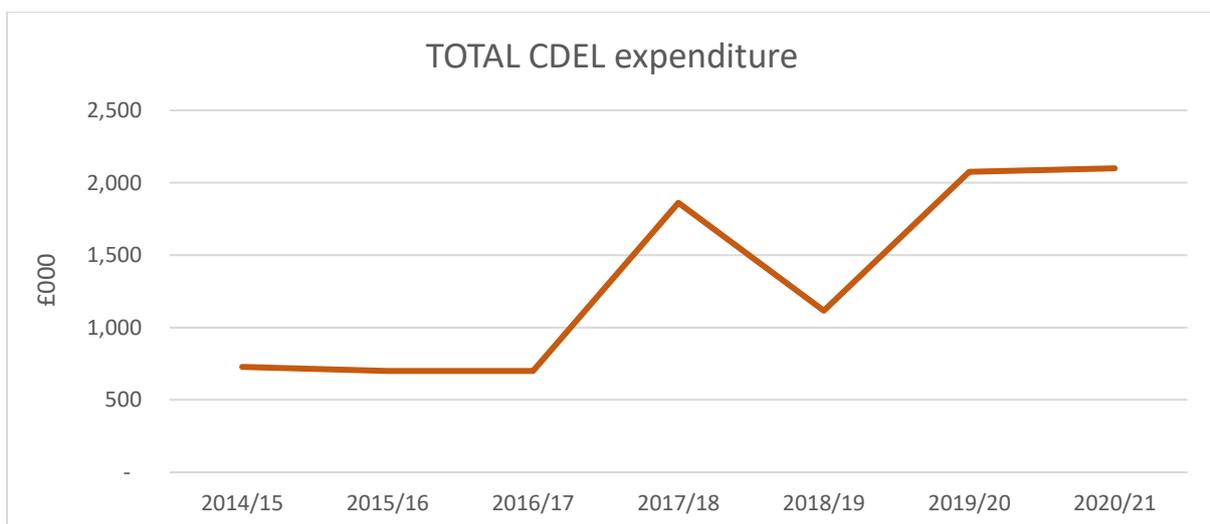
1.6 Spending trends

The charts below illustrate both RDEL and CDEL expenditure since 2014/15.

RDEL Expenditure



CDEL Expenditure



1.7 Programme costs and efficiency plans

All PHSO costs are classified as programme costs. There are no admin costs.

In 2020/21 RDEL costs on a like for like basis will be £3m more than 2019/20.

1.8 Funding: other spending announcements

PHSO has not made any spending announcements.

2 Spending Detail

2.1 Explanations of changes in spending and income

	Resource		DEL		Is change significant?
	<i>This year (2020-21 Supplementary Estimate budget sought)</i>	<i>This year (2020-21 Main Estimate budget approved)</i>	Change from Main Estimates		
	£m		%		
Programme expenditure	30.331	30.091	0.240	1%	No
Gross expenditure	30.331	30.091	0.240	1%	No
Income	0.040	0.000	0.040		No
Net Expenditure	30.291	30.091	0.200	1%	No

2.2 Restructuring

There are no major restructuring plans in 2020/21. PHSO undertook a significant organisation wide restructure (including the senior staff structure) in 2017/18. Any further structural changes are small refinements.

2.3 Ring-fenced budgets

Ring-fenced budgets Amounts sought this year (Supplementary Estimate 2020-21)		Compared to original Main Estimate (Main Estimate 2020-21)		Compared to final outturn last year (Outturn 2019-20)	
		£m	%	£m	%
Depreciation	1.628	1.628	0%	0.867	88%

Depreciation for 2020/21 will be significantly higher due to the increased capital spend on approved projects.

2.4 Changes to contingent liabilities

PHSO currently has no contingent liabilities.

3 Priorities and Performance

3.1 How spending relates to objectives

The first strategic objective is aimed at improving the quality of the service that is provided - this objective is mainly delivered by the Operations directorate that deliver PHSO's casework service.

Objective two relates to increasing the transparency of PHSO's service and Objective three relates to how we work in partnership with public services particularly to improve frontline complaint handling, in which the Strategy directorate has a leading role.

The majority of the supporting activities that underpin the strategy are completed by Corporate Services staff and are reflected in PHSO's business plan as 'business critical enablers'.

All PHSO directorates work towards the delivery of the strategy and work across all objectives.

The additional immediate costs resulting from working from home and putting in place alternative working arrangements, have been absorbed within the overall funding envelope during 20/21.

	Objective 1: To improve the quality of our service £m	Objective 2: To increase the transparency of our casework £m	Objective 3: To work in partnership to improve public services £m	Business Critical Enablers £m
RDEL				
Operations and Quality	16.93			
Corporate Services			13.36	
CDEL				2.1

3.2 Measures of performance against each priority

PHSO's [Service Charter](#) sets out our commitments to the service provided at different stages of the complaints investigation process. These commitments measure how well the service is being delivered and where improvements need to be made. Information is gathered by an independent company from individual complainants and from the organisations investigated. Performance is published on the PHSO website on a quarterly basis and has remained relatively stable over the last three years despite a significant restructuring and transformation programme being delivered. However, the impact of COVID-19 on the organization during 2020/21 has significantly affected performance.

Delivery performance is measured against a number of Key Performance Indicators (KPIs). These measure speed of throughput of casework and the length of time cases are being investigated. Other KPIs measure individual staff member productivity and the number of cases being put in a queue to await allocation for investigation. Further KPIs measuring the quality of casework output have been developed and we expect to have data to measure against these by the end of the financial year.

The impact of COVID-19 on our casework has been significant. A large queue of unallocated cases has built up, and continues to grow as workplace/schooling restrictions, as well as the inability to obtain prompt responses to enquiries from the NHS, all impact on productivity.

3.3 Commentary on steps being taken to address performance issues

The steps taken to help to address the areas where performance is being impacted are summarised below:

- Recruitment of additional caseworkers to address the increase in casework queue, although the ability to secure sufficient numbers and then for these to become fully effective means that performance will continue to be impacted into the medium term.
- Targeted action to reduce the number of cases over 18 months duration.
- Ongoing training and accreditation of caseworkers.
- Additional ICT and Information Assurance support to enhance the technology offered to our staff, who have been working remotely.
- Wellbeing programme in place to support staff during the pandemic.

3.4 Major projects

None

4 Other Information

None

5 Accounting Officer Approval

This memorandum has been prepared according to the requirements and guidance set out by HM Treasury and the House of Commons Scrutiny Unit, available on the Scrutiny Unit website.

The information in this Estimates Memorandum has been approved by myself as Accounting Officer.

Rob Behrens

Rob Behrens
Ombudsman
15 January 2020