

# **Parliamentary and Health Service Ombudsman**

## **Main Estimate Memorandum for 2020-21**

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## 1 Overview

### 1.1 Our role

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.

Our 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. Our work is scrutinised by the Public Administration and Constitutional Affairs Committee.

### 1.2 Spending Controls

PHSO's net spending is broken down into a several different 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 comprising day-to-day running costs
- Capital Departmental Expenditure Limit ("Capital DEL") - investment in capital projects such as ICT infrastructure
- Annually Managed Expenditure ("AME") - to recognise changes in our provisions
- Net Cash Requirement the amount of cash PHSO will pay out in the year.

### 1.3 Comparison of net spending totals sought

Spending total Amounts sought this year (Main Estimate 2020-21)		Difference (+/ ) compared to final budget last year. (Supplementary Estimate 2019-20)		Difference compared to original budget last year (Main Estimate 2019-20)	
		£m	change %	£m	change %
Resource DEL	30.091	1.460	5%	2.010	7%
Capital DEL	2.100	(0.070)	(3%)	1.400	200%
Annually Managed Expenditure (AME)	0.700	(0.637)	(48%)	(0.268)	(28%)
Net cash requirement	32.563	2.575	9%	5.166	19%

### 1.4 Key drivers of spending changes since last year

PHSO is experiencing an ongoing increase in demand of 13%. Additional resources were secured within CSR19 to meet this demand. In addition, 2020/21 is the final year of the current strategy, and additional resources were secured to deliver both improvements to the quality of casework, and to develop a complaints standard framework to improve front line complaint handling. The increase in Resource DEL reflects this.

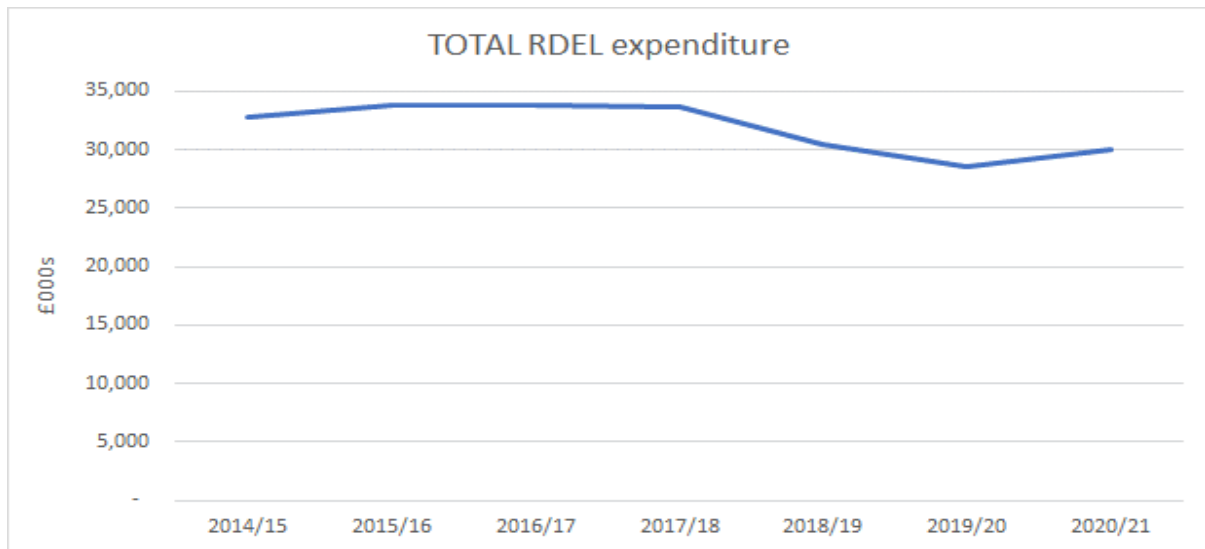
To deliver our corporate strategy, significant investment is required in all aspects of our ICT. The increase in Capital DEL reflects the delivery of PHSO's ICT and Digital Strategy, which continues the improvements in our ICT systems and infrastructure critical to deliver our strategy.

### 1.5 New policies and programmes, ambit changes

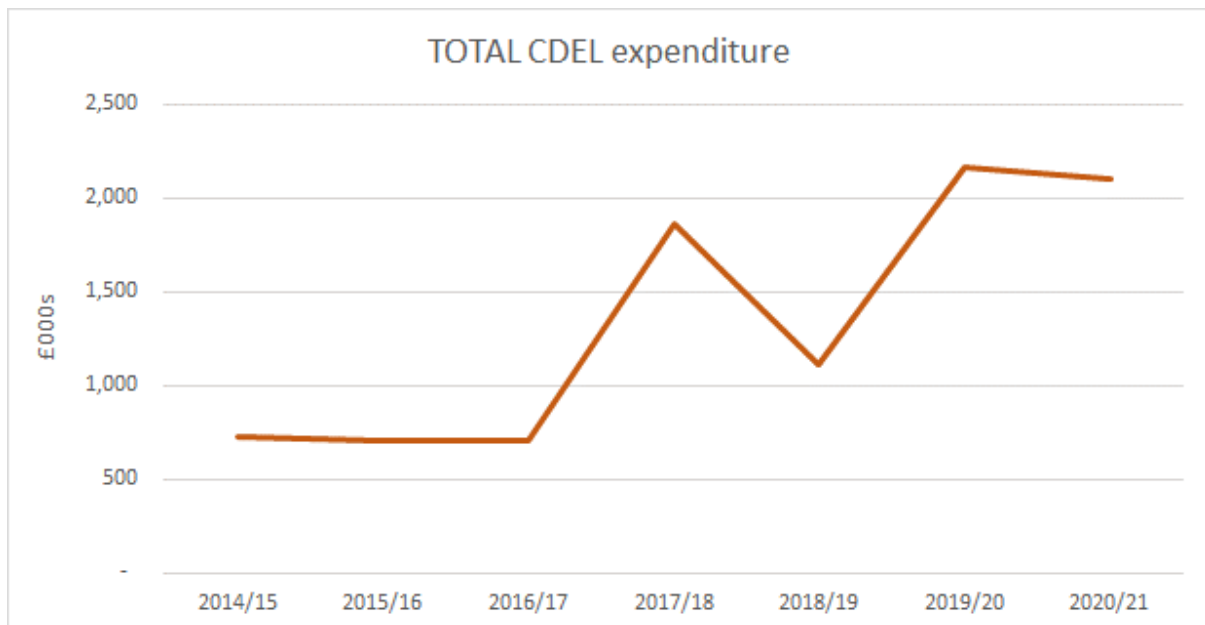
There have been no ambit changes.

## 1.6 Spending trends

### Resource DEL



### Capital DEL



## 1.7 Administration costs and efficiency plans

All PHSO costs are Programme Costs.

## 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		Change from last year		Is change significant? See explanation, note number
	<i>This year (2020-21 Main Estimates budget sought)</i>	<i>Last year (2019-20 Supp. Estimates budget sought)</i>	£m	%	
Programme expenditure	30.091	28.781	1.310	5%	Note 1
Gross expenditure	30.091	28.781	1.310	5%	
Income		0.150	(0.150)		Note 2
Net Expenditure	30.091	28.631	1.460	5%	

**Note 1:** PHSO has experienced a sustained 13% increase in demand. Additional resources to meet this demand were agreed as part of CSR19.

**Note 2:** Income in 2019/20 related to staff secondments. There is no expected income in 2020/21.

### 2.2 Restructuring

There has been no restructuring during 2019/20.

### 2.3 Ring-fenced budgets

Ring-fenced budgets Amounts sought this year (Main Estimate 2020-21)	Difference (+/-) compared to final budget last year. (Supplementary Estimate 2019-20)		Difference (+/-) compared to original budget last year (Main Estimate 2019-20)		
	£m	%	£m	%	
Depreciation	1.628	0.0	0%	0.0	0%

## 2.4 Changes to contingent liabilities

PHSO does not have any contingent liabilities and does not expect this position to change in 2020/21.

## 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.

	<b>Objective 1:</b> To improve the quality of our service  £m	<b>Objective 2:</b> To increase the transparency of our casework  £m	<b>Objective 3:</b> To work in partnership to improve public services  £m	<b>Business Critical Enablers</b>  £m
Operations	16.933			
Strategy and Communications		1.761		
Corporate Services				11.397

### 3.2 Measures of performance against each priority

PHSO's Service Charter sets out our commitments about 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 two years despite a significant restructuring and transformation programme being delivered.

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 queued 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.

We have seen a sustained increase in demand throughout 2019/20 of 13% and this is expected to continue into 2020/21. This is now impacting on previously good KPI performance in a number of areas in particular the number of unallocated cases, which in turn is having an impact on the overall length of time that complaints are held within our system. This is resulting in a negative impact on Service Charter scores in relation to overall service provision.

### 3.3 Commentary on steps being taken to address performance issues

The steps taken to address the areas where performance is being impacted by the increase in demand are set out below:

- Recruitment of additional caseworker staff.
- Targeted action to reduce the number of cases over 12 months duration.
- Ongoing training and accreditation of caseworkers.
- A new Quality Strategy, with increased audit and evaluation of outputs.
- Implementing the ICT & Digital Strategy, including the modern technology needed to deliver improvements in case handling, and to enable the publishing of casework on our website. A key part of this is a new Casework Management System was launched in December 2019.
- Introduction of new ways of working to resolving cases earlier, including through early dispute resolution and mediation.
- Implementation of the recommendations of the independent Clinical Advice review, to reduce disputes about clinical findings.

### 3.4 Major projects

None

### 4 Other Information

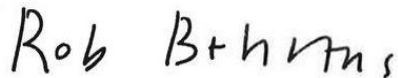
None

### 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  
Ombudsman



20 March 2020