



Parliamentary
and Health Service
Ombudsman

The Ombudsman's Annual report and accounts 2023 to 2024

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Annual report and accounts 2023 to 2024

For the period 1 April 2023 to 31 March 2024

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Performance report overview

This overview section provides statements from the Acting Ombudsman and Acting Chief Executive Officer on the performance of the organisation in 2023 to 2024. It sets out who we are and what we do and gives an overview of what we achieved throughout the year.

Foreword from the Acting Ombudsman

This has been a year of transition for the Parliamentary and Health Service Ombudsman (PHSO).



We said farewell to our long-standing Ombudsman and our Chief Executive Officer, Sir Rob Behrens and Amanda Amroliwala. Given the extraordinary foundations they laid together, I was deeply honoured to be appointed to succeed Amanda as Chief Executive Officer and to support Sir Rob in his final year here. Now, I look forward to leading the organisation as Acting Ombudsman to build on Sir Rob's legacy in a year of profound change, both internally and externally, in a General Election year. I do so with humility, excitement and profound gratitude.

Our work is driven by a belief in the power of complaints. Complaints provide the opportunity to learn and to strengthen relationships between people and public services.

As part of this, we seek impact in two ways – on the lives of individuals and in terms of improving public services. At no time in our recent history have we worked on an issue affecting as many individuals as in our investigation into communication by the Department for Work and Pensions (DWP) of the rise in women's State Pension age. This immensely complex case, for which we received more than 600 complaints, involved analysing thousands of pages of technical evidence over more than five years and involved teams working across the organisation. We found failings in communication which affected how hundreds of thousands of women had planned for their future. As the DWP had made clear that it did not accept our findings, we took the unprecedented step of laying the report

in Parliament without first making recommendations to the Government. Through extraordinary levels of broadcast media, Select Committee evidence and working with Parliamentary stakeholders, we focused on raising awareness of the need for Parliament to ensure urgent and appropriate compensation.

Our work to support improvements to public services has seen a range of publications, drawing on the evidence of our casework to highlight systemic failings, especially where we see repeated errors. Our 'Broken trust' report last summer, drawing on the evidence of our investigations into cases of avoidable death, raised key concerns about an NHS culture which does not always listen with sufficient care to patients, families and staff.

Tragically, the shocking case of Lucy Letby shone a light on similar themes in patient safety. We have used our voice to protect the safety of patients and will continue to work with NHS trusts and with other organisations we investigate to encourage them to listen and learn from the voices of their service users.

Other instances of systemic failings affecting patient safety have included sepsis and the use of 'Do not attempt CPR' orders. Both have been the subject of major reports this year, drawing on our casework, making recommendations for improvement and helping the public navigate the overly complex complaints system.

We cannot work to improve public services unless we ourselves learn the same lessons. PHSO is a learning organisation, and this year we have taken important steps in our own improvement journey. Our newly established Public Engagement Advisory Group has started to feed back important reflections on how we carry out our casework. This dialogue with complainants and members of the public is going to help us develop a truly user-focused service. We have also spent time in local communities in Bristol and Blackpool, visiting third-sector hubs and hearing at first hand the challenges

facing those they serve, and observing both good practice and gaps in how public services can support members of the public. All of this helps us to raise awareness of our service and grow our understanding of service users.

That same ambition to improve through learning lay behind the seminar we hosted in Manchester for international Ombudsman colleagues to start a new chapter for Ombudsman learning. This marked the launch of the European Learning Academy where we provided a two-day training course for international caseworkers on how to apply mediation to resolve disputes.

My aim is to use my term as Acting Ombudsman to work with colleagues and stakeholders across our jurisdiction to encourage learning and listening to improve standards in public services. At a time of national focus on what has gone wrong in public services, from the Post Office and the Infected Blood Inquiry to NHS maternity services, I will work to support the development of an approach that listens to users and learns from their experience to improve.

I write in the aftermath of the 2024 General Election and look forward to working with the new Government, using

the insights we have from our casework and beyond to improve public services and help to build better relationships between people and the state.

I am indebted to Sir Rob and to Amanda for their tireless leadership. I look forward to working with Gill Kilpatrick in her new role as Acting Chief Executive Officer and with Karl Banister, my Deputy Ombudsman, alongside a new and reinvigorated Executive Team. I thank the Board for their constant support, advice and encouragement and, most of all, the community of colleagues at PHSO who constantly move and impress both me and complainants with the professionalism and compassion they employ to bring understanding and resolution where services and relationships have failed. I am so proud to be your Ombudsman.

Rebecca Hilsenrath

Accounting Officer,
Acting Ombudsman and Chair

Foreword from the Acting Chief Executive Officer



In the nine years I have been part of the Executive Team, I look back at a very different organisation to the one I joined.

We have grown in confidence and modernised our approach. That helps millions of people we serve, not only through individual cases, but also our approach to identifying systemic failures that need to be addressed.

And so it is with great pride that while I look back on the success of the previous year, I also look forward to leading this great team as its Acting Chief Executive Officer.

That starts with the people at PHSO. We have a new Executive Team in place having recruited a new post of Chief Digital and Information Officer and welcomed a new Director of Strategy. Both are important roles to help us continue the improvements we have made.

This year we have made great progress in our modernisation programme. Our casework is at the core of what we do and we recognise the need to change our approach to meet the demands on our service. Throughout the year we developed plans for a new approach, based on value to the public. We know this will be a change for our colleagues and complainants and so we started a period of rigorous testing in our new model office where we will pilot any major changes that can impact on how we deliver our service.

Our new Data, Digital and Technology function has already shown what we can achieve harnessing the skills we have. Our casework publishing system has been improved to provide a better

user experience, as well as allowing us to realise our ambition of publishing all our casework in the coming year. We are also strengthening our data capabilities and progressing our systems for call recording and transcription.

We know that our teams value and deserve a working environment which is designed to support hybrid-working and the delivery of the best service to those who need our help. It is with this in mind that we started a redevelopment of our head office in Manchester, which will be completed by June 2024. This project is more than just bricks and mortar. It will help embed our culture of collaboration and knowledge-sharing, where wellbeing is prioritised.

Over the coming year we will continue to invest in our people. We take pride in our professional development. This year, we trained more people in mediation and started a development programme for all managers. In 2024 to 2025, my priority will be to increase our leadership skills to ensure we have the skills needed to meet the challenges we will face head on.

As with other public sector organisations, we cannot stand still. One of the key things I have learned is that the only way to improve is by having great people. By working together, we can achieve great things.

Gill Kilpatrick

Acting Chief Executive Officer



Who we are and what we do

Our role

We independently investigate complaints about the NHS in England, UK government departments and some other UK public organisations.

Our service is completely free, focused on fairness and open to everyone.

We champion higher standards of behaviour to help inspire a better relationship between people and public services. We look into complaints where an individual believes there has been injustice or hardship because an organisation has not acted properly or fairly, or when it has provided a poor service and not put things right.

When we find failings, we can make recommendations on what the organisation needs to do to put things right. This can involve explanations, apologies and taking steps to learn and improve.

Our website has more information about [our casework process](#).

We believe in the power of complaining to bring lasting change. We share findings from our casework to help improve public services and complaint handling for everyone. This can include presenting reports to Parliament so it can make sure organisations act on our recommendations.

We are accountable to Parliament and our work is scrutinised by the Public Administration and Constitutional Affairs Committee (PACAC).



Our vision

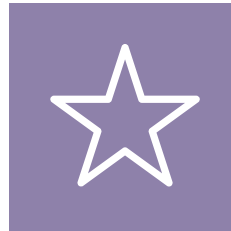
A voice for improvement in public services through the provision of an independent, impartial and fair complaints handling service, as an internationally respected public service ombudsman.

Our values



Independence

from organisations we investigate, holding them to account for service failure.



Excellence

learning from engagement with complainants and organisations investigated to improve accessibility, efficiency and effectiveness, as well as the quality of our decisions.



Fairness

listening carefully to complainants and the organisations we investigate and making impartial and fair decisions based on relevant evidence.



Transparency

communicating with those who use our service and publishing information about our findings, how we are performing, and how organisations we investigate have implemented our recommendations.

Our Board

We are governed by a non-statutory, unitary, decision-making Board of executives and non-executives. The Board's main purpose is to make decisions about our strategic direction and performance.

The Board is led by its Chair, Rebecca Hilsenrath, the Acting Parliamentary and Health Service Ombudsman. The Acting Chief Executive Officer, Gill Kilpatrick, is also a member of the Board.

The non-executive Board members bring an external perspective to the organisation. They come from diverse professional backgrounds and bring a wide range of experience. More information about the Board is on page 64.

Performance overview

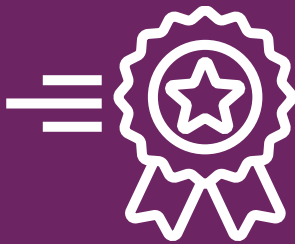
This section looks at our main achievements in 2023 to 2024. This was the second year of our 2022 to 2025 corporate strategy.

Our strategy for 2022 to 2025

Our strategy explains how we will work to make our service even better for the future. It says we will:



address barriers
to justice



strengthen the quality
and speed of our service



help improve public
sector services

Our year in numbers

139,090

enquiries dealt with by our contact centre



8,835

complaints decided following primary or detailed investigation (9% increase on previous year, highest annual volume on record)



99%

of decisions on initial checks were made within seven days (target of 95%)

1,120

recommendations made



563

NHS staff trained to support organisations to deliver the NHS Complaint Standards



2,187

days of training were delivered to improve our service (an average of 3.82 training days per colleague)



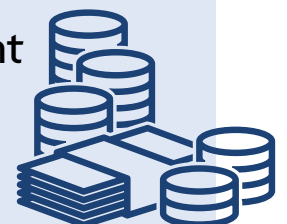
36,982

complaint decisions made in total (highest on record)



£341,937

of financial payment recommendations were made



Highlights from 2023 to 2024



Despite significant demand on our service, we reduced the queue of cases waiting to be considered from 1,058 to 762.



We published our comprehensive investigation into failings in communication about changes to women's State Pension age.



We published our landmark 'Broken trust' report and other evidence-based reports on sepsis treatment, DNACPR decisions and discharge from mental health care.



We hosted regional Ombudsman Roadshows in Bristol and Blackpool to listen to local communities.



We led patient safety debates including asking the Health Secretary for a statutory inquiry and action on patient safety in the wake of the Lucy Letby trial.



We launched the new-look casework decisions section on our website and a new online complaint form..



We released new Radio Ombudsman podcast episodes with Bill Kirkup, Melissa Mead, Adam Wagner and many more.



We held the second Manchester Memorandum event for 30 international ombudsman leaders with another 60 international colleagues joining virtually, while launching the European International Ombudsman Institute Learning Academy with training facilitated by our mediation team.

What we achieved this year

Objective 1:

People who use public services have a better awareness of the role of the Ombudsman and can easily access our service

Removing barriers to our service

We commissioned Opinion Research Services (ORS) to find out what happens when complainants come to us too soon and why they do not return to us. They carried out an online survey and in-depth interviews. We shared the [findings from this research](#) across our organisation to look at how we can make the process of making a complaint clearer, quicker and more accessible for everyone. We are committed to listening to this feedback to make improvements to our service and shared our findings at the Professional Standards Authority conference in November 2023.

“The most common barrier people who want to complain about government services faced was the requirement to get MP approval before bringing a complaint to us (also known as the MP filter). This was found to be time consuming, challenging and sometimes impossible.”

Lauren Manderson
Research and Evaluation Manager

Improving public awareness through community outreach

We continued our regional roadshows around the country to hear directly about issues facing members of the local community and explain our role in helping them get justice when things go wrong in public services.

After the first successful roadshow in Stockton-on-Tees in March 2023, we travelled to [Bristol in August 2023](#) and Blackpool in February 2024. We visited community centres, a college, charities (including local foodbanks) and healthcare settings and held drop-in advice clinics to listen to people's concerns.

The information we receive from meeting local stakeholders helps us to understand local and regional barriers to complaints.

“We’re very pleased that the Ombudsman and team are proactively listening to Bristol’s diverse community organisations, to support changes that enable people to be heard. We hope that the discussions with the Ombudsman in person will help to raise awareness of how to complain and for services to encourage and act on community feedback.”

Mark Hubbard
Voscur Development Director

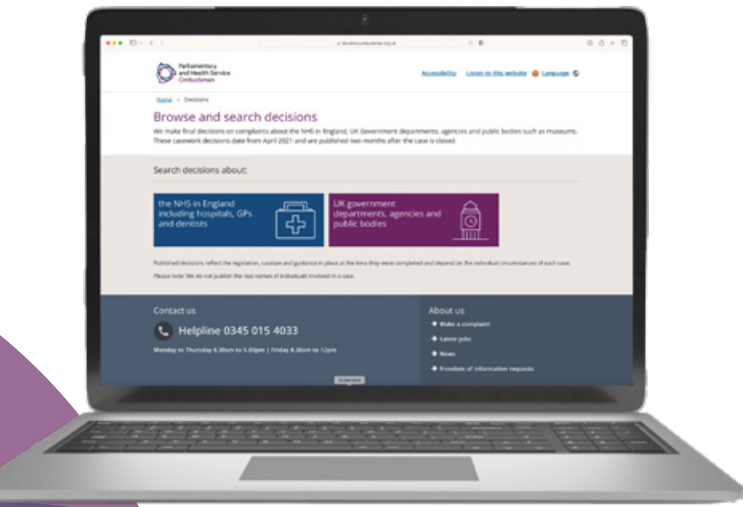




“We are excited to welcome the Ombudsman to Blackpool. As a town, our residents sometimes face challenges and often feel disempowered to complain. We hope that this visit will be the start of an ongoing relationship where we showcase all of the amazing work that is happening to engage, advocate and empower our residents.”

Beth Martin
Project Manager Healthwatch Blackpool





Improved technology for a better service

Our new Digital, Data and Technology strategy will enable us to become a leading digital ombudsman service and provide a better experience for our users.

As a first step towards delivering the strategy, we used feedback from users and improved technology to create a better user experience of the casework decision section on our website, making it more transparent and accessible. We simplified the language and improved both the search function and the way search results are displayed. This year we will be making further changes to enable us to publish the vast majority of our casework, providing a useful resource for public services, Parliamentarians, potential complainants and wider civil society to learn from previous mistakes.

In March 2024, we developed a new online complaint form making it even easier for people to bring their complaints to us.

One professional stakeholder who was involved in the testing stage said it was

“very easy to search on. Anyone could go on there and see what there is on their Trust. I think it’s really good.”

NHS professional

Objective 2:

People we work with receive a high-quality, empathetic and timely service, according to international Ombudsman principles

Providing a user-focused service

Our Public Engagement Advisory Group (PEAG) is made up of former complainants and members of the public who have never used our service. Their feedback helps us to make sure any changes to our services are user-focused.

Sessions with the group this year discussed the use of empathy in our communication, report writing and how we tackle increasing demand on our service.

“I really enjoy the sessions and enjoy making change in the way that we do. It is really inspirational what is being done.”

Sheena Boll
PEAG member

“Thanks to the PEAG research we have updated our training to include references to the results of public engagement. The first-hand accounts from members of the public are a powerful reminder of how important empathy is to our complainants.”

Rob Mackle
Lead Casework Development
Programme Trainer

International ombudsman community engagement

Our role in the international ombudsman community is important to us and allows us to share knowledge and learn from best practice. Building on the success of the Manchester Memorandum event in 2021, we hosted a conference in January 2024 for 30 international ombudsman leaders. A further 60 International Ombudsman Institute (IOI) colleagues joined virtually.

At the event we led stimulating discussions on our learning from the Peer Review process and our outreach work with underrepresented communities.

Alongside the main event, we hosted the first European Learning Academy based on our approach to mediation. Delegates from the Netherlands, Portugal, Greece, Slovenia and Estonia learned about different mediation approaches, how they can be applied in other areas of casework, and how to create a safe environment for mediation.

“Today we open a new chapter in Ombudsman learning. The Ombudsman Learning Academy will be a hub for sharing experience and best practices among Ombudsman institutions and for researching new tools for our daily work.”

Andreas Pottakis
IOI Europe President

“I got valuable info on mediation techniques and conflict resolution. Our system is different but many of these skills can be useful in cases regarding health and social services.”

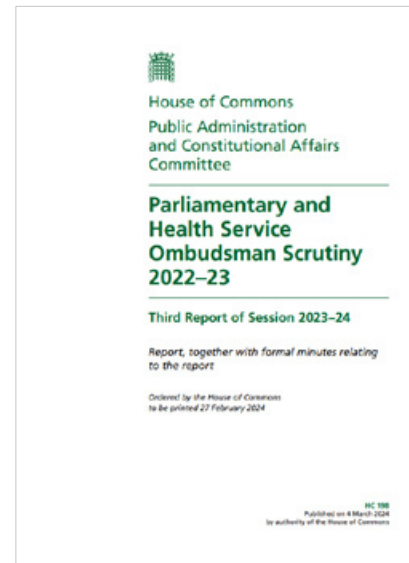
Delegate from Europe



PACAC scrutiny report

The Public Administration and Constitutional Affairs Committee (PACAC) published its report in March 2024 following our 2022 to 2023 scrutiny session. The Committee recognised the increase in complaints that have been resolved by mediation, our continued investment in staff training, and the ongoing success of our Complaint Standards guidance for NHS and Government organisations.

The Committee highlighted areas for monitoring and improvement. This included reporting on service provision to people with disabilities and the elderly, setting out our aims for mediation and the measures we will take to achieve those aims, and reporting on progress of our digital ambition. We welcome this feedback as part of our commitment to continually improving our complaint handling. We will reflect on this learning and take action to make sure we deliver excellent service that is accessible to all, while providing value for money.



“We welcome the fact that the PHSO has worked hard to reduce the backlog of cases created by the COVID-19 pandemic and met its target for making initial decisions about cases within seven days.”

PACAC



Objective 3:

We contribute to a culture of learning and continuous improvement, leading to high standards in public service

Improving frontline complaint handling

In April 2023, we rolled out our new Continuing Professional Development (CPD)-accredited training courses to help organisations deliver the NHS Complaint Standards. Since then, we have delivered 743 training sessions to 563 NHS staff from more than 150 different organisations. 97% of attendees said the training helped them to make positive changes to the way they deal with and respond to complaints. These training courses have been in high demand, and we are developing new versions to allow more NHS staff to attend.

“I found the course really helpful. I have already had meetings with my manager regarding changes we need to make, and I have recommended to my colleagues.”

NHS Complaint Standards training course attendee

“We have a lot of new staff so have been using the Complaint Standards to support with our formal training and coaching process. This has helped aid consistency in customer responses.”

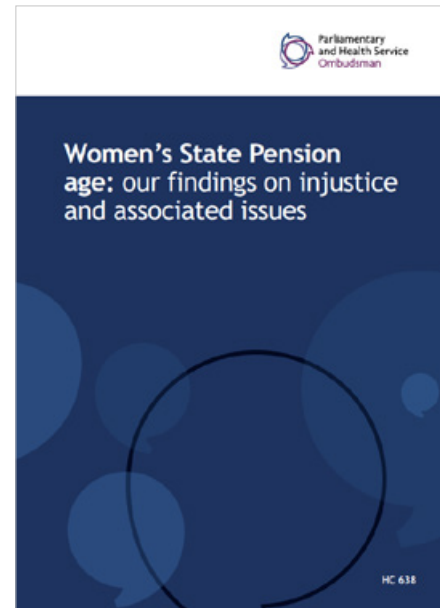
DVLA

Following publication of our Complaint Standards for UK central Government, we have worked closely with five trailblazer departments to make sure the Standards work in practice. They have shared their positive experiences of using the Standards materials with us and with Government colleagues at the Cross Government Complaints Forum. We have also worked with our trailblazers to develop versions of our CPD-accredited training for this sector and will roll this out over the next year.

Holding organisations to account: State Pension age investigation

Following a comprehensive investigation that examined thousands of pages of evidence, we published our final report on communication of women's State Pension age changes by the Department for Work and Pensions (DWP). We found failings in how DWP communicated information about the changes, and the way it investigated and responded to complaints about these issues. We found these failings led to missed opportunities to make informed decisions and caused unnecessary stress, anxiety and confusion.

We had reason to believe DWP would not take steps to put things right, so we presented our report to Parliament so it could intervene and find a way to provide appropriate remedy for the women affected.



“Complainants should not have to wait and see whether DWP will take action to rectify its failings... Parliament now needs to act swiftly, and make sure a compensation scheme is established.”

Rebecca Hilsenrath
as Chief Executive Officer in 2023 to 2024

Our report dominated the news agenda for the day and our recommendations and findings continue to be debated. There has been a commitment by Government to report back at the earliest available opportunity.

“We continue to take the work of the Ombudsman very seriously, and it is only right that we now fully and properly consider the findings and details of what is a substantial document. In laying the report before Parliament, the Ombudsman has brought matters to the attention of the House, and we will provide a further update to the House once we have considered the report’s findings.”

Mel Stride

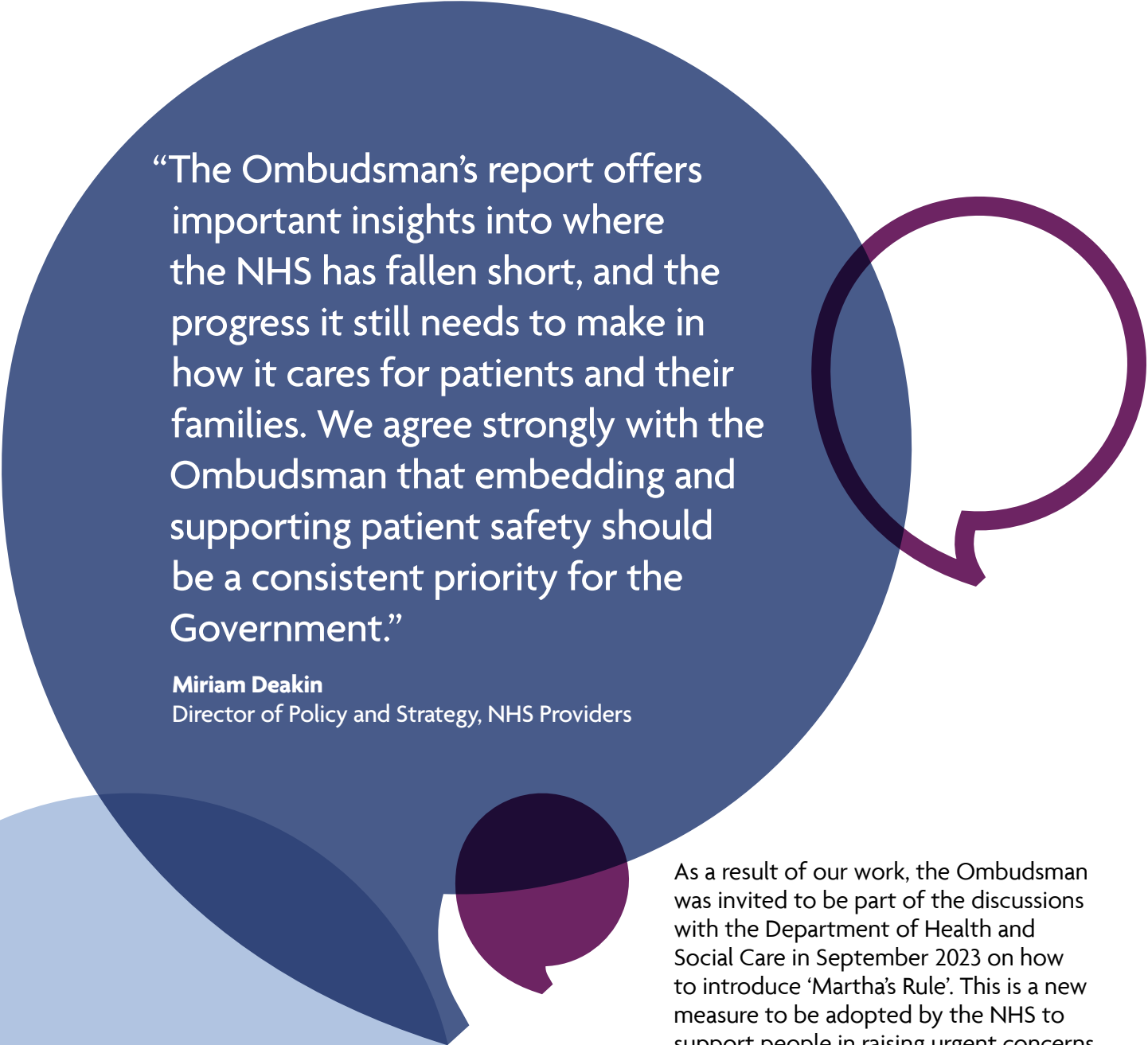
Secretary of State for Work and Pensions



Informing patient safety debates

At the heart of everything we do is creating better services for the public. By publishing our health reports and raising the profile of our investigations into NHS services, we contribute to patient safety debates.

We laid our landmark report '[Broken trust: making patient safety more than just a promise](#)' before Parliament in June 2023. The report examines cases we investigated where patients died due to avoidable errors. We said the NHS must do more to accept accountability and learn from mistakes and we set out recommendations to improve patient safety.



“The Ombudsman’s report offers important insights into where the NHS has fallen short, and the progress it still needs to make in how it cares for patients and their families. We agree strongly with the Ombudsman that embedding and supporting patient safety should be a consistent priority for the Government.”

Miriam Deakin
Director of Policy and Strategy, NHS Providers

As a result of our work, the Ombudsman was invited to be part of the discussions with the Department of Health and Social Care in September 2023 on how to introduce ‘Martha’s Rule’. This is a new measure to be adopted by the NHS to support people in raising urgent concerns about treatment, to have round the clock access to critical review teams if they are worried about their own, or a loved one’s, condition.

“The culture of fear and defensiveness within the NHS is not isolated to this [Letby] case, it is a widespread problem which our Broken Trust report laid bare. These recent events mean our recommendations take on even more urgency.”

Sir Rob Behrens
as Ombudsman 2023 to 2024

In the wake of the Lucy Letby trial, we reiterated our recommendations and concerns about a culture of fear and defensiveness in the NHS. [The Ombudsman wrote to the Health Secretary](#) calling for the proposed inquiry into these events to have statutory status. The inquiry will now use all legal powers available, including the power to compel witnesses to give evidence, which will help the families get to the truth of what happened.

We published '[Spotlight on sepsis: your stories, your rights](#)', sharing casework insights ten years on from our 'Time to Act' report and encouraging more people to complain when something goes wrong. Using the stories of people we have supported, it focused on common failings, including delays in diagnosing and treating sepsis, poor communication and record-keeping, and a lack of follow-up care.



“With sepsis claiming an estimated 48,000 lives annually in the UK, this report demonstrates that there is an urgent need to establish sepsis as a key priority for healthcare.”

Dr Ron Daniels
Chief Executive Officer of the
UK Sepsis Trust

In February 2024, our report on '[Discharge from mental health care](#)' analysed complaints where we had found failings in discharge and transition in the care of patients with mental health conditions.

“This report puts a welcome spotlight on how services can improve the support they offer people going through the transition back into the community, by improving communication and the ways in which different teams work together to provide essential care.”

Lucy Schonegevel

Director of Policy and Practice at Rethink Mental Illness

Our recommendations included extending follow-up checks within 72 hours of discharge from inpatient mental health settings to include discharge from emergency departments. Our recommendations are designed to help NHS leaders prioritise the safety of patients with mental health conditions and to hold them accountable for doing so.



After submitting evidence to the COVID-19 Public Inquiry on the impact of the pandemic on the health service, we highlighted themes from our casework in our [‘End-of-life care’ report](#). This looked at issues that patients, their families and clinicians experienced in the ‘do not attempt cardiopulmonary resuscitation’ (DNACPR) process. These challenges are affecting disabled people and older people in particular.



“We need to be having these discussions earlier as a nation rather than leaving them for an urgent situation. This is where misunderstanding occurs due to high emotions on both sides.”

Doctor working in geriatric medicine

Our casework: protecting people and improving services

This year, we made 1,120 recommendations to improve services, prevent repeated failings and compensate service users. These case summaries show the range of organisations and complaints we investigate, the significant impact of public service failings on individuals' lives, and how we make a real difference to people who have faced injustice.

Case summary: Government missed signs of torture of British academic


Mr Hedges complained that he was tortured and mistreated while he was detained by the United Arab Emirates authorities in 2018. He says if the Foreign, Commonwealth and Development Office (FCDO) had seen him quicker and taken effective steps, his suffering would have been reduced.

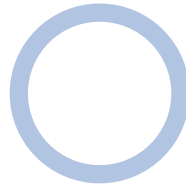
Our investigation found that the UK Government failed to follow its own guidance on identifying potential mistreatment of British nationals. When they visited him, embassy staff noted his voice was shaking and he avoided eye contact. These were signs that he might have been subject to torture.

We recommended that the FCDO should apologise and pay £1,500 to Mr Hedges. We said the FCDO should explain how it will make sure it is following relevant guidance.

“The role of the Government is to protect its citizens and this was a profound failure. The impact will run deep for Mr Hedges and he will have to live with that for the rest of his life. This must not happen again to anyone else.”

Rebecca Hilsenrath





Case summary: doctors failed to spot cancer ‘red flags’ for a year

Charlie Puplett raised concerns with her GP surgery in Yeovil about symptoms including unexplained weight loss, change in bowel habits and bloating. While the GP practice did carry out tests, none of them were for cancer.

A year later, Charlie began vomiting blood and was taken by ambulance to hospital where she was diagnosed with colon cancer. She had an emergency operation to remove two-thirds of her colon and a tumour.

Our investigation found that the original symptoms should have led to a referral by the GP for urgent investigation within two weeks. We recommended that the surgery pay Charlie £2,950 for its failures and put in place an action plan to prevent this from happening again.

“I don’t want this to happen to anybody else, which is why I took my complaint to the Ombudsman. I have to fight not just for myself but for other people too. Everyone needs to listen to their bodies.”

Charlie Puplett



Case summary: hospital's failing led to man's death after football injury

Mr G was playing football when he damaged his knee. Four days later he went to A&E and had surgery.

Two weeks after the operation he was struggling to walk and had pain in his leg. He went back to A&E where an X-ray and blood tests were carried out. But no tests for a blood clot were done and he was sent home.

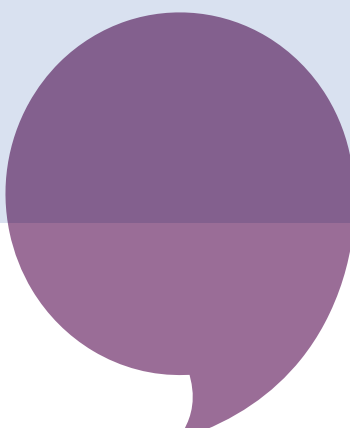
Two weeks later, Mr G had tightness in his chest and fainted. His heart stopped while in the ambulance. Sadly, he never came round and died in hospital.

Our investigation found that doctors at Barking, Havering and Redbridge NHS University Hospitals Trust failed to comply with national guidance by not carrying out the relevant tests to rule out a blood clot.

We recommended that the Trust should apologise to Mr G's family, pay them £15,000 and create an action plan to prevent this happening again.

“He was so kind to everybody, and I just miss him so much. I don't think we will ever get over losing him, especially knowing that it didn't need to be this way.”

Mr G's older sister



Case summary: hospital failed man living with HIV by delaying surgery

Mr F complained about the care Walsall Healthcare NHS Trust gave him. It put him first on the list for prostate surgery in March 2020 and then, on the day, moved him to last on the list because he is living with HIV. Mr F said the situation humiliated him, caused upset and made his anxiety worse.

We found there was a breakdown in communication between the surgical booking team and clinicians and that there was no reason for his surgery time to be moved.

We recommended that the Trust should apologise to Mr F and explain how it will improve and make sure it treats patients living with HIV in the same way as other patients.

“The Ombudsman has been fantastic but my experience at the Trust has been tough. I never wanted any financial compensation, and I haven’t asked for any. I just want to make sure this doesn’t happen again.”

Mr F



Case summary: woman's death shows need for improvements to NHS imaging

May Ashford was diagnosed with a brain tumour in 2010 at the Royal Preston Hospital after experiencing headaches and seizures. Despite regular scans showing the tumour was growing and pushing her brain to one side, she was told it was not growing and was not offered surgery to remove it until May 2015. Sadly, May died from a stroke four days after her surgery.

We found that medical staff failed to monitor and report on the scan results properly. Without the delay to surgery, the tumour would have been smaller, the operation easier to carry out and it is more likely than not that she would have survived.

We recommended that the Trust apologise to May's husband, Alan, develop an action plan to address the failings and pay him £15,000 to recognise the distress he experienced.

“Thanks to the Ombudsman's meticulous report, new rules regarding the monitoring of patients have been implemented by the hospital to ensure that this cannot happen again to anyone else.”

Alan Ashford





Performance analysis

This section looks at our performance in more detail. It sets out the main risks we managed and our financial and environmental performance for 2023 to 2024. It also explains how we have championed equality, diversity and inclusion.

Where comparative data for previous years is not available, we have explained why.

The performance analysis for 2023 to 2024 is set in the context of increasing demand on our service. Demand is measured by the number of complaints that we accept for consideration.

In 2023 to 2024 complaint demand has reached **record levels (36,886)** and represents an **increase of 18%** from 2019 to 2020 (31,365).

Enquiries dealt with by our contact centre

Enquiries dealt with by our contact centre	2019-20	2020-21	2021-22	2022-23	2023-24
Total enquiries (including phone calls, emails, post, webform)	103,965	79,249	122,367	129,346	139,090

The number of enquiries we received was 139,090. This is **7.5% higher than in 2022 to 2023** and represents our **highest number of enquiries in a year to date**.

This shows that interest in and need for our service continue to grow.



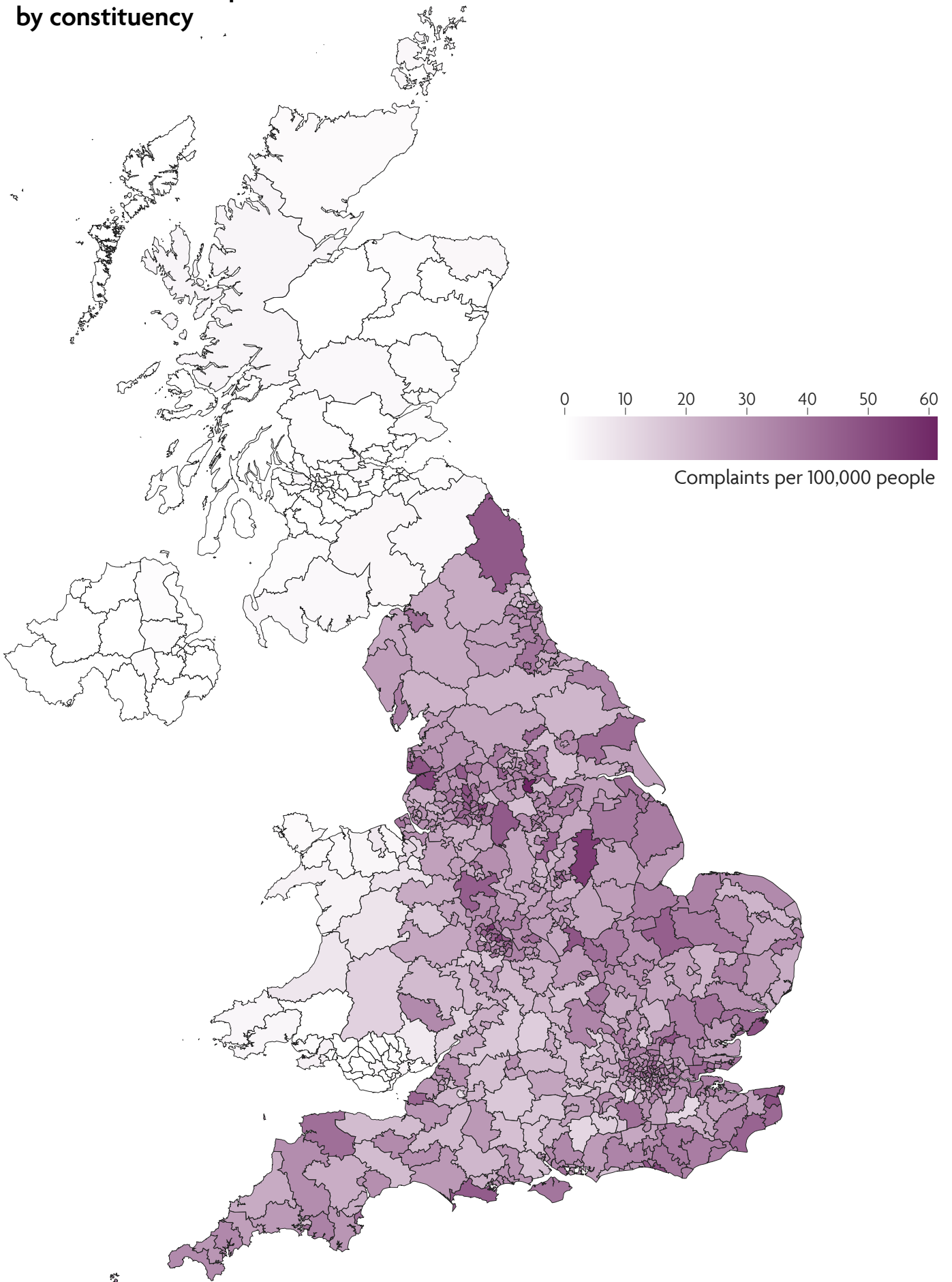
Complaints by geographical area

The tables below show the constituencies with the highest proportion of complaints received per 100,000 people in 2023 to 2024.

Health service complaints

Region	Constituency	Health complaints received (per 100,000 people)
Yorkshire and The Humber	Wakefield	61.5
West Midlands	Walsall North	55.8
East Midlands	Newark	54.5
West Midlands	Birmingham, Perry Barr	54.2
North West	Ashton-under-Lyne	54.2
North West	South Ribble	51.4
North West	Blackpool South	50.6
South East	Brighton, Kemptown	50.2
South East	South Thanet	49.2
North West	Bury North	49.0

Health service complaints by constituency

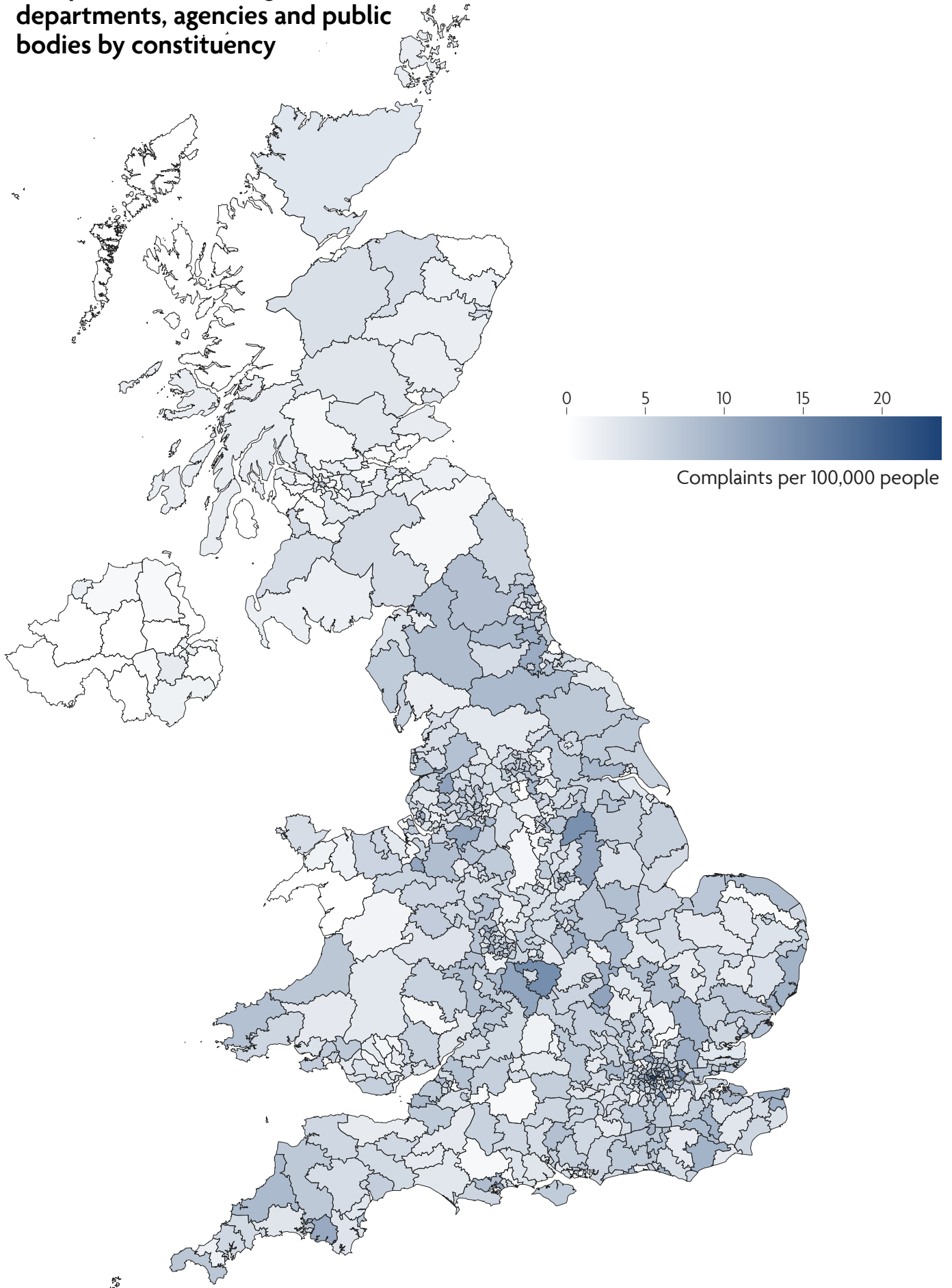


Complaints about UK government departments, agencies and public bodies

Region	Constituency	Complaints received about UK government departments, agencies and public bodies (per 100,000 people)
London	Cities of London and Westminster	23.8
London	Croydon Central	16.0
London	Hackney South and Shoreditch	15.2
London	Dagenham and Rainham	14.7
West Midlands	Kenilworth and Southam	14.1
East Midlands	Bassetlaw	13.8
London	Hammersmith	13.6
London	Islington North	12.7
London	Greenwich and Woolwich	12.6
North West	Preston	12.5

Source for digital boundaries and reference maps: Office for National Statistics licensed under the Open Government Licence v.3.0. Parliamentary constituency boundaries used are prior to the results of the 2023 boundary review. Population data for the United Kingdom uses the latest available census data.

Complaints about UK government departments, agencies and public bodies by constituency



Complaints worked on during the year

Complaints worked on during the year	2019-20	2020-21	2021-22	2022-23	2023-24
Accepted for consideration	31,365	19,700	29,665	28,410	29,306
Accepted for consideration following re-presentation	Not available*	5,142	6,583	6,693	7,580
Carried forward to the next year	3,549**	5,251**	4,885**	4,303**	4,257

*The number of complaints brought back to us to consider before 2020 to 2021 is not available. This breakdown of complaint information was only available after upgrading our casework management system at the end of 2019.

**This includes complaints already being worked on and complaints waiting to be considered at 31 March.

We accepted 29,306 complaints for consideration, of which 7,580 complaints were accepted for consideration following re-presentation. These are complaints that were previously not ready for us and have been brought back for consideration.

At the end of the year, there were 4,257 complaints either in progress or waiting to be allocated to a caseworker. This is similar to last year's levels.



Decisions made

We made 36,982 decisions on complaints.

Stages in the complaints process

Decisions made at each stage in the complaint process	2019-20	2020-21	2021-22	2022-23	2023-24
Decided following initial checks	23,141	18,689	29,213	27,492	28,075
Resolved by mediation	14	14	29	74	72
Decided following primary investigation	6,530	3,864	6,760	7,484	8,140
Decided following detailed investigation	1,210	557	612	612	695
Total complaint decisions	30,895	23,124	36,614	35,662	36,982

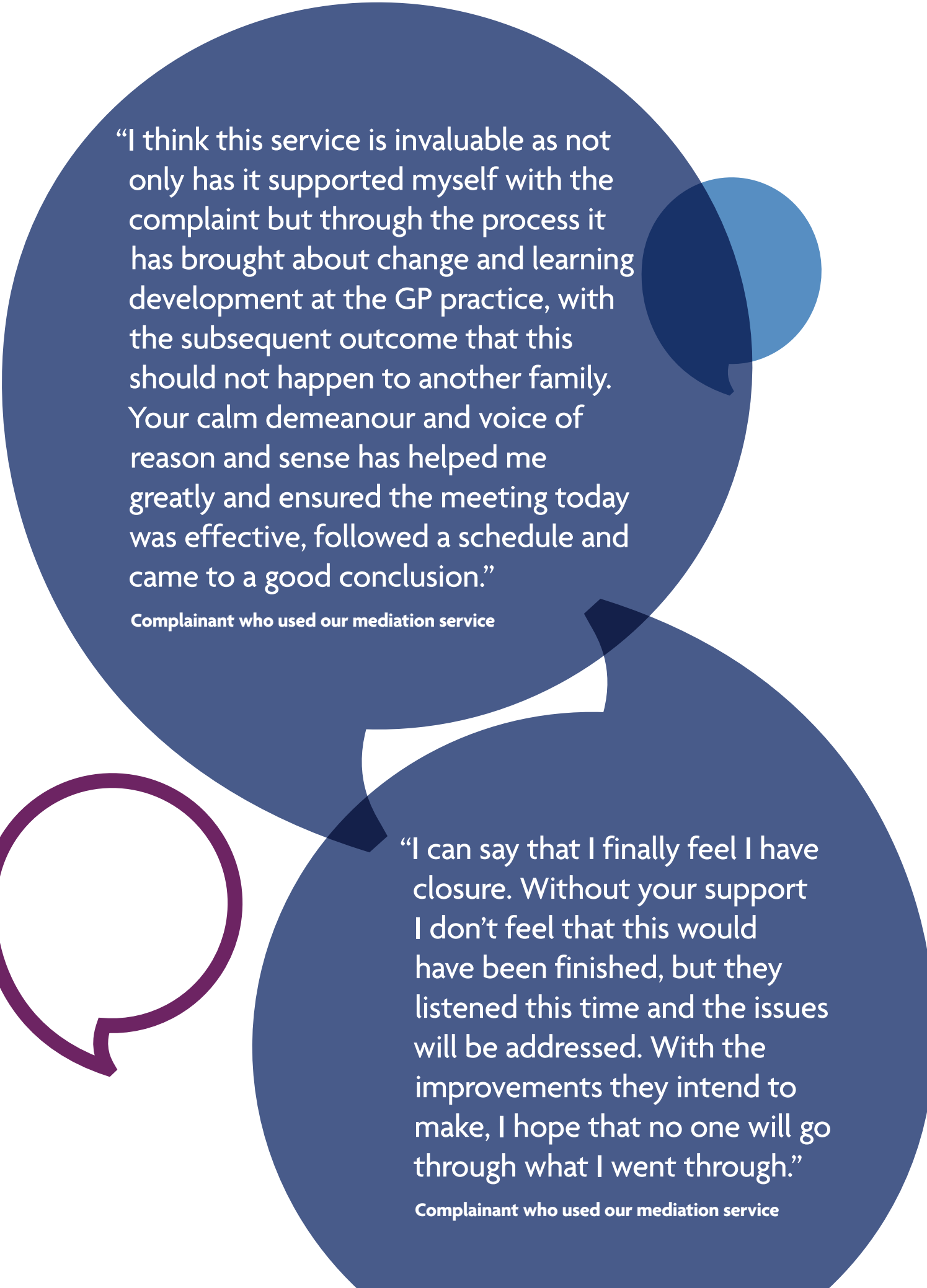
The total volume of decisions we made increased by around 4% compared to 2022 to 2023. This reflects the increased demand on our service that has reached a record high. The total number of decisions reached from primary and detailed investigations has increased by 9% since last year and by 14% since 2019 to 2020.

As part of our business aims this year, we committed to maintaining the number of complaints resolved through mediation and approaching more complainants and organisations where this approach was suitable. Having trained more people in mediation in the first half of the year, we were able to approach parties about the possibility of resolving complaints in this way in 327 cases.

As mediation is a voluntary process, we were unable to gain agreement to proceed to the joint meeting stage in all cases. We facilitated 75 joint mediation meetings, and 72 of those cases were fully resolved. We had 55 cases still ongoing at the end of the business year.



we facilitated
75 joint mediation
meetings



“I think this service is invaluable as not only has it supported myself with the complaint but through the process it has brought about change and learning development at the GP practice, with the subsequent outcome that this should not happen to another family. Your calm demeanour and voice of reason and sense has helped me greatly and ensured the meeting today was effective, followed a schedule and came to a good conclusion.”

Complainant who used our mediation service

“I can say that I finally feel I have closure. Without your support I don't feel that this would have been finished, but they listened this time and the issues will be addressed. With the improvements they intend to make, I hope that no one will go through what I went through.”

Complainant who used our mediation service

Types of decisions

We issue a large range of decisions grouped into ten categories.

Decisions made: types of decision		2019-20	2020-21	2021-22	2022-23	2023-24
Not able to consider further	Not ready for us	21,960	17,103	26,043	24,984	25,156
	Out of jurisdiction or remit	1,677	1,197	1,879	2,138	3,254
	Out of time	969	522	834	1,002	890
	Lower severity injustice	N/A	N/A	1,319	1,029	1,131
Examined for maladministration and/or injustice	No failings or injustice identified	2,290	1,536	1,734	1,886	2,013
	Failings or injustice identified, but already addressed	776	462	498	533	550
	Failings or injustice identified, with recommendations made	650	338	394	419	494
Resolved	Resolved with the agreement of the complainant	372	283	453	544	436
Withdrawn or discontinued	Withdrawn or discontinued	348	243	337	380	407
Other	Other reason to conclude the complaint, for example, the existence of an alternative legal remedy	1,853	1,440	3,123	2,747	2,651
Total complaint decisions		30,895	23,124	36,614	35,662	36,982

The proportion of different types of decisions we made is similar to 2022 to 2023 and is in line with our commitment to make the right decision at the right time.

We were able to resolve 436 cases with the agreement of the complainant, mostly during primary investigation. We have continued to apply principles of managing demand on the service we offer, following other ombudsman schemes in the international community.

The time it takes to reach a decision

Time taken to reach a decision		2019-20	2020-21	2021-22	2022-23	2023-24	Target
Decided following initial checks	Within 7 days	96%	99%	99%	99%	99%	95%
	Within 13 weeks	48%	25%	32% (31%)	40%	43%	50%
Decided following further consideration	Within 26 weeks	80%	52% (49%)	49% (48%)	51%	66%	75%
	Within 52 weeks	93%	89% (85%)	81% (81%)	77%	83%	95%

Comparative data in this section excludes the three months in 2020 to 2021 when we (and the NHS) suspended complaint handling so the NHS could focus on dealing with the COVID-19 pandemic. The percentages in brackets show what the performance results would be if we did not remove from the data the three-month period from where we paused our casework.

Consistent with previous years, we reached 99% of decisions made following initial checks within seven days. This was against a target of 95%. The volume of decisions we reached following further consideration within 13, 26 and 52 weeks has improved. We continue to set ambitious targets as we delivered year-on-year improvements towards meeting them since the pandemic.

Our priority has been to close the oldest cases. This has reduced the percentage of cases closed within the timeframes being measured. As we continue to reduce the number of aged cases in our casework process, this will become less of a factor and supports our confidence in being able to meet the ambitious targets we are setting.

Recommendations and compliance

When we find that an organisation has made a mistake, we make recommendations for it to put things right and we provide a timeframe for this. We follow up with the organisation to track progress.

If an organisation does not act on our recommendations, we can present a report to Parliament. We can also work with the relevant Government committee to hold to account a Secretary of State or head of an NHS organisation.

Recommendations made and compliance with those recommendations	2019-20	2020-21	2021-22	2022-23	2023-24
Apologies	507	267	361	361	383
Service improvements	491	226	294	298	306
Other actions to put things right	71	82	85	98	134
Financial compensation recommendations	297	170	249	256	297
Total recommendations made	1,366	745	989	1,013	1,120
Financial compensation total	£626,289	£492,823	£265,656	£401,847	£341,937
Recommendations closed complied with	1,273	543	863	967	919
Recommendations closed not complied with	1	2	2	2	7

The financial payment recommendations totalled £341,937. Financial recommendations will fluctuate each year and do not include other suggestions for compensation. For instance, while we could not directly recommend compensation amounts, our work on complaints about the Windrush Compensation Scheme led to complainants obtaining £432,592 in additional compensation.

We have seen an increase in the number of recommendations not complied with. This is still extremely rare but an issue we treat seriously. As part of the State Pension age investigation we suggested a level 4 payment of between £1,000 and £2,950 for any person who can show they were affected. As we had reason to believe DWP would not comply, we recommended that Parliament decides on what level of compensation is required and how the system may work. This amount has not yet been determined.

Feedback on our service

An independent company helps us to collect feedback from our service users throughout the year. In response to a recommendation from PACAC, this year we revised our Complainant and Organisations We Investigate (OWI) surveys. This is to help us better measure the impact of changes to the service we provide and capture complaint outcomes.

In 2023 to 2024, a total of 5,687 complainants completed the survey. Of those complainants, more than half felt that caseworkers gave them the opportunity to explain their complaint (69%), took the information they provided into account (57%), acted with sensitivity to the issues raised (65%), and explained the guidelines (67%) and information used in making their decision (59%). Less than half of respondents were satisfied with the overall time taken to reach a decision (44%) and the service received overall (48%). Satisfaction varied considerably depending on the outcome of the complaint, with consistently higher ratings across questions for those who received a positive outcome.

A [quarterly breakdown for this year](#) and previous years is available on our website.

We receive a small percentage of requests to review our service and decisions. This year we received 74 requests to review our service, upholding 42 (57%). While this is almost double the volume upheld in 2022 to 2023, in percentage terms it is similar to the previous year when we had 43 requests and upheld 24 (56%). We also received 339 requests to review our decision, upholding 35 (10%) of them. We received 84 more decision review requests in 2023 to 2024 (an increase of 33%). We upheld 35 (10%) of these, which was a reduction compared to last year when we upheld 48 (19%).

Service and decision reviews	2019-20	2020-21	2021-22	2022-23	2023-24
Service review requests	126	71	61	43	74
Service review requests upheld	56	40	25	24	42
Decision review requests	942	478	455	255	339
Decision review requests upheld	120	97	37	48	35
Positive feedback received	110	100	86	136	136

“You gave me confidence that my complaint was being investigated thoroughly, explained everything very clearly and kept me informed at every stage in a very efficient yet friendly way.”

Feedback from a complainant
November 2023

We received 871 Freedom of Information (FOI) requests, with 98% responded to within the statutory time limit. We also handled 400 Subject Access Requests (SAR) and 160 other General Data Protection Regulation (GDPR) requests with 96% and 95% responded to in the time limit respectively.

Despite an increase in the number of requests we received, the percentage we responded to within statutory limits has improved across the board this year.

Information rights requests	2019-20	2020-21	2021-22	2022-23	2023-24
FOI requests received in year	224	345	498	699	871
SAR requests received in year	349	201	288	339	400
Other GDPR requests received in year	-	-	-	153	160
FOI requests responded to in statutory limitations	89%	68%	51%	94%	98%
SAR requests responded to in statutory limitations	79%	61%	45%	91%	96%
Other GDPR requests responded to in statutory limits	-	-	-	94%	95%



People who use our service

This data is based on people who supply the information voluntarily as part of our complainant survey.

People who use the Ombudsman service	2019-20	2020-21	2021-22	2022-23	2023-24
Male	47%	48%	46%	43%	44%
Female	53%	52%	54%	57%	55%
18-34	15%	14%	18%	15%	13%
35-54	42%	42%	37%	40%	42%
55-74	38%	36%	39%	39%	36%
75+	4%	8%	6%	6%	9%
Disabled people	42%	45%	39%	44%	52%
Non-disabled people	58%	55%	61%	56%	48%
Asian, Black, Mixed ethnicity and Other ethnic group	16%	19%	18%	16%	17%
White	84%	81%	82%	84%	83%



Risks we managed

The following table summarises the risks that we managed and the main actions that we took to mitigate them.

Strategic risk	What we did to mitigate the risk
<p>Business plan / change</p> <p>Delivery of essential change and business plan activity is limited by resource, capacity and recruitment challenges.</p> <p>This risk remained stable throughout 2023 to 2024.</p>	<ul style="list-style-type: none"> Completed activity to understand our key priorities and allocate capacity accordingly Established and recruited to our new Transformation team structure Gained oversight through the establishment of Change Board and Change Forum
<p>Casework quality</p> <p>Ambitious plans to increase the publication of our casework causes a reduction in quality standards.</p> <p>The risk remained low throughout the year.</p>	<ul style="list-style-type: none"> Continued our approach to Academy training which gave new staff greater experience before joining casework teams Further developed our casework decisions website, improving accessibility and navigation Reviewed our Service Charter to enrich feedback received from our users
<p>Demand</p> <p>Future demand levels are greater than forecast, we receive a higher proportion of complex casework and capacity is impacted by change activity.</p> <p>Although stable throughout 2023 to 2024, this risk was rated high.</p>	<ul style="list-style-type: none"> Continued to monitor the accuracy of forecasting on a monthly basis, refining the forecasting model in the process to ensure a consistently proportionate response to this risk Implemented a suite of management action plans to achieve a focused reduction of our casework queue and deliver strong productivity during a time of challenging demand levels Continued our demand management approach in prioritising the most serious cases for further investigation
<p>Funding</p> <p>We do not receive the funding required to meet our strategic objectives, we must reprioritise resources to meet demand needs and budgeting continues to be impacted by rising inflation.</p> <p>Although generally stable, the outlook of the risk worsened toward the end of the business year.</p>	<ul style="list-style-type: none"> Engaged regularly with HM Treasury to discuss potential funding needs During business planning and budget process, prioritised resources to deliver strategy objectives Performed a detailed spending review to identify savings in our cost base and expenditure to support delivery of our priorities

Strategic risk	What we did to mitigate the risk
<p>Staff engagement</p> <p>Negotiations over pay and reward, increasing cost-of-living challenges, the closure of one of our offices for refurbishment and a period of structural and leadership change all impacts on staff morale.</p> <p>This risk fluctuated throughout the year, worsening before improving toward the end of the year.</p>	<ul style="list-style-type: none"> • Through careful financial management we were able to arrange a cost-of-living pay award for our staff, in addition to the agreed pay increase • Maintained regular engagement with staff when appointing our new Chief Executive Officer and in the ongoing appointment of a new Ombudsman • Brought staff together virtually including a week-long All Colleague Event programme of activities • Completed our annual staff survey and hosted all staff briefings to engage on the findings, with improvement actions to be developed



Financial review

Expenditure is reported in the Statement of Outturn against Parliamentary Supply (page 101), and the Statement of Comprehensive Net Expenditure (page 116). We do not charge for services and the only income we receive is occasional cost recoveries. All our expenditure is funded by Parliament.

Our budget falls under four headings in the Treasury's spending control framework. The majority is Resource Departmental Expenditure Limit (RDEL). The RDEL budget funds salaries and operating costs.

We also have a Resource Annually Managed Expenditure (RAME) budget, a Capital Annually Managed Expenditure (CAME) budget and a Capital Departmental Expenditure Limit (CDEL) budget. The CAME and RAME budgets cover the creation of provisions, and the CDEL budget funds the purchase of fixed assets.

The budgets and actual spend for each of these headings in 2023 to 2024 is summarised in the table below and shown in more detail in the Summary of Resource and Capital Outturn in the Accountability Report on page 103. The actual spend over the past four years, and the budgets agreed in Spending Review 2021 for the final year, are set out in the table on page 54.

The main factor in the £703k (2%) underspend of the RDEL budget was due to depreciation being lower than budgeted due to the timing of asset capitalisations. The £181k (8%) underspend of the core CDEL budget (which excludes IFRS16 adjustments) was due to delayed delivery of IT equipment. The remainder of the underspend is due to the total CDEL budget including estimates for IFRS16 adjustments which were not required. Further information and breakdown of the Right of Use Assets can be found in Note 7 on page 133. The RAME and CAME budgets were set to cover provisions for legal claims and dilapidations respectively. Legal claims are inherently difficult to forecast and value, so we take a cautious approach in budgeting.

Summary of expenditure in 2023 to 2024

	Budget	Actual	Underspend / (Overspend)	
	£000	£000	£000	%
Departmental expenditure limit				
Resource	42,134	41,430	704	2%
Capital	11,748	2,031	9,717	83%
Annually managed expenditure				
Resource	783	602	181	23%
Capital	380	32	348	92%
Total resource	42,917	42,032	885	2%
Total capital	12,128	2,063	10,065	83%
Total	55,045	44,095	10,950	20%

Actual spend over past four years and budgeted spend for next year (the final year of our current CSR)

Departmental expenditure limit	Actual 2020-21	Actual 2021-22	Actual 2022-23	Actual 2023-24	Estimate 2024-25
	£000	£000	£000	£000	£000
Total resource	29,486	32,499	40,543	42,032	43,303
Total capital	1,643	1,778	1,924	2,063	2,000
Total	31,129	34,277	42,467	44,096	45,303

The capital budgets for 2022 to 2023 onwards shown above exclude the amount allocated for the book entries necessary to adopt IFRS16: Leases which PHSO had incorrectly included in the main estimates. The table above reflects the actual and forecast spend for capital.

Spending in 2023 to 2024

The Statement of Comprehensive Net Expenditure on page 116 and the related notes to the accounts show the detail of our spending in 2023 to 2024.

Net expenditure has increased by £1,489k (4%) from 2022-23 to 2023-24. Staff costs are £33,752k, £2,593k higher than 2023 to 2024, and are the biggest expense at 80% of the resource budget. Other net costs have reduced from £9,384k in 2022 to 2023 to £8,280k in 2023 to 2024 following a review of spend across the organisation. Building, IT and telecommunications costs together make up 67% of this amount.

We are experiencing a demand for our service at 8.8% above levels for which are funded and we have absorbed the impact of this through ongoing efficiencies in our operation, together with the delivery of non-pay savings of £1,104k.

The extra resources put in place during 2022 to 2023, and the prioritisation of the more serious and older cases, enabled us to reduce the number of unallocated cases from 1,050 at the end of 2022 to 2023, to 762 at the year end.

The £2,031k CDEL outturn shown in the Statement of Outturn against Parliamentary Supply is broken down by the categories of asset purchased in notes 5 and 6 on pages 129 to 132 and includes the refurbishment of our Manchester offices to support hybrid working, and additions to IT infrastructure.

Financial outlook

For the Government's Spending Review 2021, we submitted proposals to expand our work in support of the Government's priority for strong and innovative public services which were agreed by the Treasury.

The resource budget for 2024 to 2025 is £43,303k, an increase of 2% on actual spending in 2023 to 2024, as shown in the table on page 54. The extra funding is purely to cover inflation, as agreed in the CSR. We continue to review all areas of spend to identify savings and drive efficiencies so we are able to prioritise reducing the queue of unallocated cases, strengthening the quality and speed of our service as well as improving access to it.

2024 to 2025 is the final year of our current CSR settlement and we are developing plans to support our next CSR request.

People and organisation

We continue to focus on our three People and Culture aims for 2022 to 2025:

- a great place to work with an engaged, diverse and inclusive culture, where everyone lives our values and works collaboratively to achieve common goals
- commitment to continuous improvement and learning, where colleagues contribute their ideas and feel their voice is heard as we strive to be an exemplary organisation
- a high-performing organisation with a highly skilled and empowered workforce focused on making a positive difference to public services.

We deliver a range of initiatives to promote equality, diversity, inclusion and wellbeing.

Enabling a positive and supportive culture

Our annual employee engagement survey saw a response rate of 83%, compared with 78% in 2022. Employee engagement is the extent to which employees feel positive and valued in their role and committed to the organisation. The overall employee engagement score was 68%. This has reduced from 71% in 2022, reflecting the level of uncertainty and senior leadership change in the organisation. However it remains a relatively high score compared to benchmark organisations. The full [employee engagement survey results](#) are available on our website.

Developing leaders and leadership skills

A new 'Manager 2025' development programme was designed to support a positive mindset, develop skills and create a healthy environment for a high-performance organisation. Open to all line managers, learning is mainly online and self-paced to ensure flexibility around workload.

We continued to deliver an Authentic Leadership Programme for the Senior Leadership Team to strengthen a culture of trust and empowerment, through regular group sessions and action learning sets.

116 colleagues in leadership and management roles went through a 360-degree feedback process to help inform their individual performance and development objectives for the year ahead.

Developing workforce skills and capability

We completed a review of our approach to performance management to further strengthen both the quality of performance and development conversations and working with feedback. In the 2023 employee survey, 88% of respondents agreed with the statement 'I receive regular feedback on my performance'.

Our learning and development curriculum offers a range of learning opportunities to support personal and professional development. We delivered 2,187 days of training, an average of 3.82 training days per colleague. This compares to an average of 6.8 days per colleague last year, a time when we had a significant increase in newly recruited employees.

Colleagues can access a range of coaching, mentoring and job shadowing opportunities to support their role and career development. We have designed new training resources to support caseworkers, and all colleagues took part in a series of innovative and engaging IT sessions during our 'TechFest' two-day event. Colleagues also attended various external professional development opportunities, including the National Certificate in Mediation Skills to help meet our objective to resolve more cases through this process. These skills are valuable in any casework setting.

We continue to offer a sector-leading internal accreditation programme to senior caseworkers. This year a further five senior caseworkers started their accreditation pathway and eight more gained accreditation. We designed and successfully piloted a certification programme for Intake caseworkers. Successful completion will lead to the availability of further development opportunities.

In the 2023 employee survey, 94% of respondents agreed they had the skills needed to do their job effectively, with 79% agreeing the experience gained while working here is beneficial for their personal development.

Effective resourcing

We recruited 50 new employees to our organisation, including two new Executive Team members. 48 were permanent and just two were agency new starters. In considering early career options and raising our profile as an employer of choice, we started planning for work experience placements and attended local careers fairs.

We are a Level 1 Disability Confident Committed employer taking action to recruit, retain and develop disabled people.

Equality, diversity and inclusion (EDI)

Our EDI strategy for 2020 to 2024 sets out how we will continue to develop and promote best practice in the areas of equality, diversity and inclusion.

The strategy outlined our commitment that all colleagues would demonstrate and live the values of the organisation and be equipped with the appropriate tools and skills to perform at their best, while supporting others to do the same.

Some key deliverables from our strategy have been:

- incorporating anonymised candidate participation into our recruitment process
- advancing our equality impact assessments and our ability to apply the necessary reasonable adjustments to minimise barriers for colleagues and complainants
- expanding our community of coaching to support colleagues' professional development developing our Active Inclusion learning programme to increase knowledge of the lived experiences of individuals, so that we can provide an inclusive work environment and deliver informed approaches in our casework. In its first year, over 90% of colleagues took part in workshops, coaching conversations and e-learning, focused on embedding anti-racism into our workplace and, in turn, the delivery of our service. Next year's programme will focus on disability and neurodiversity, helping us to improve accessibility and inclusion for colleagues and for people who use our service.

Monitoring and reporting

Our Inclusion and Wellbeing Committee monitors the work in our EDI strategy. As a committee of the Board, it is chaired by a non-executive Director and has oversight of the strategy. In these responsibilities, the Committee is supported by our Inclusion and Wellbeing Working Group and our employee network groups (Carers, Disability and Wellbeing, Families, Gender Equity, Pride, and Race, Ethnicity and Cultural Heritage).

We have reported EDI data to our Inclusion and Wellbeing Committee, on a biannual basis. We have also continued to review staff survey results by diversity demographics.

Gender pay gap

As at 31 March 2023 we had a mean gender pay gap of 2.7% calculated as the percentage difference between the average hourly salary for men (£23.12) and the average hourly salary for women (£22.51). This includes data relating to a small number of clinicians whose pay we do not set, including NHS consultants who are contracted as Clinical Advisers.

Based only on the employees whose salaries we set, the gender pay gap is -1.7%. The full gender pay gap data up to 31 March 2023 can be found in our [Pay gap report 2023](#).

Sustainability report

PHSO, although not required to do so, is voluntarily making disclosures in line with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations where relevant. We are committed to reducing our impact on the environment and are continually looking for more efficient ways of working.

Mitigating climate change: working towards Net Zero by 2050

We are based in offices in Manchester (31,000 sq. ft.) and London (7,800 sq. ft.) over a combined area of 38,800 sq. ft. The following commitments are in place to offset carbon emissions:

- purchasing recycled non-bleached paper
- recycling food waste in Manchester
- paper, card, bottles and plastics recycled at both sites
- using non-toxic cleaning products
- cycle to work scheme
- investment in PIR (Passive Infrared System) at both sites. This allows lights to be used only when needed and turned off when no people are present. This saves on energy usage.

We are still participating in the Smarter Working Project with other government organisations. We have continued to operate a hybrid working model, which allows staff to work from home up to 60% of the time. This reduces energy consumption and the need to travel into the office. We increased the size of our workforce by 8.36% without increasing office space. We maintain and regularly analyse records of our office occupancy rates. These records are being used to create an office environment suitable to occupancy and task, with supporting services such as recycling collections in line with these figures.

Minimising waste and promoting resource efficiency

Energy usage declined in 2023 to 2024. Hybrid working has allowed for a reduction in usage, supported by PIR systems.

Electricity usage (kWh)

We lease accommodation at Citygate in Manchester and Millbank Tower in London. Our landlords provide energy performance data, and we report on usage, consumption and costs where possible. We also incur energy charges for shared areas, but these charges are an apportioned element of the service charges, and specific usage data is not available.

Costs are shown where directly attributable to us. No analysis of renewable or non-renewable energy usage is available from the energy provider for communal areas in the accommodation.

Carbon dioxide emissions

We use an external provider for rail and air tickets, and for car hire for business travel. These provide standard management information on the emissions impact of each journey booked.

Travel in 2023 to 2024 has reduced from the previous year. We have used technology such as video conferencing, reducing the need to travel. With sites in Manchester and London, we endeavour to use sustainable methods of transport and only travel when necessary.

Cost of energy has experienced very significant inflation in the last year. Energy usage has fallen but costs per unit are higher than last year, reflecting an increase in costs.

Non-financial information: emissions (CO ² /tonnes)	2019-20	2020-21	2021-22	2022-23	2023-24
Scope 1: Direct emissions	n/a	n/a	n/a	n/a	n/a
Scope 2: Indirect emissions	n/a	n/a	n/a	n/a	n/a
Scope 3: Business travel emissions	26	1.2	4.0	13	12
Total emissions	26	1.2	4.0	13	12
Normalised comparison per FTE	0.06	0.002	0.007	0.021	0.020

Non-financial information: energy (Kwh)	2019-20	2020-21	2021-22	2022-23	2023-24
Scope 1: Direct emissions	n/a	n/a	n/a	n/a	n/a
Scope 2: Indirect emissions	322,558†	191,733†	353,958	320,342†	284,946†
Scope 3: Business travel emissions	n/a	n/a	n/a	n/a	n/a
Total emissions	322,558†	191,733†	353,958	320,342†	284,946†
Normalised comparison per FTE	828†	426†	643	533†	492†

Financial information (£'000)	2019-20	2020-21	2021-22	2022-23	2023-24
Scope 1: Direct emissions	n/a	n/a	n/a	n/a	n/a
Scope 2: Indirect emissions	70†	28†	64	66†	149†
Scope 3: Business travel emissions	140	7	36	126†	88
Total emissions	210	35	100	192†	237
Normalised comparison per FTE	0.54	0.07	0.18	0.32	0.40

* data only available for London premises

† estimated figure only

Scope 1 – direct greenhouse gas emissions from sources owned or controlled by the organisation. We lease our accommodation (including air conditioning) and do not own any fleet vehicles.

Scope 2 – energy indirect emissions arise from electricity that we consume, which is supplied by another party. We report on usage, consumption and costs where we are invoiced directly by the energy supplier. We also incur energy charges for shared areas in jointly occupied buildings, but these charges are an apportioned element of the service charges, and specific usage data is not available.

Scope 3 – official business travel and electricity directly paid for by the organisation.

Travel (car or fleet)

Nil return. Not applicable.

Commitment to remove all consumer single-use plastics (CSUP) – reuse scheme at site

We make the following commitments to remove single-use plastics:

- refilling items used by cleaning contractors
- no plastic cups used in the offices
- plastic bags no longer used for posting out bulk items
- binding and any related plastic now to be used as the exception for reasonable adjustment only
- procurement strategy to include no use of CSUP.

We also use soluble non-toxic chemicals for cleaning.

Reducing water use

Nil return. Water usage is apportioned and recharged as part of the accommodation service charge across all sites.

Procuring sustainable products and services

We continue to work with existing suppliers to reduce the emissions of the goods and services they provide and use technological advances to do the same. Where relevant, sustainable clauses continue to be incorporated into new contracts, which are meeting the Government Buying Standards.

All procurement activity must clearly show and deliver value for money and consider the impact of environmental, economic and social factors in compliance with the Public Services Social Value Act 2019. Environmental, social and corporate governance (ESG) is 10% of the technical marking in all tender evaluations. The CCS framework continues to be the standard used to procure services. The framework supports sustainability in line with the Government Buying Standards.

A Procurement Matrix has now been developed to allow for sustainability, where relevant, to be included in the technical marking scheme.

Nature recovery and biodiversity action planning

Nil return. Not applicable.

Adapting to climate change

We remain committed to reducing our impact on greenhouse gas emissions and thus improving our impact on the environment. Staff awareness has increased as we adjust our behaviour to make ongoing improvements.

Reducing environmental impacts and ICT and digital

	2019-20	2020-21	2021-22	2022-23	2023-24
Paper usage (reams)	2,461	1,018	127	237	417

We have used less paper from 2019 to 2020. Although usage increased in 2022 to 2023 and in 2023 to 2024, this remains lower than pre-pandemic levels. We apportion additional printing to a large volume of letters and reports being sent manually regarding the State Pension age investigation.

Following our implementation of new digital tools to reduce waste and CO2 emissions, we have now focused on training in Nitro, to ensure amendments of electronic documents rather than printing. Printers remain default to black and white and double-sided printing.

The removal of handsets being replaced with soft phones on Teams has proven to be successful. This ICT upgrade is now being supported with MS OneNote for electronic notes. This, alongside work-from-home protocols, supports the reduction of CO2 emissions.

Total ICT waste recycled, reused and recovered (externally)

2019-20	2020-21	2021-22	2022-23	2023-24
No data	No data	No data	894	873

Figures represent the number of ICT items recycled. We use an ethical organisation that has a mission to drive decarbonisation through sustainable and socially responsible, circular economy business. Accreditation of Tier1 includes ISO 9001, 14001, 27001, 45001, 22301, BS 7858, BS 15713, ADISA and Cyber Essentials Plus. CPNI approved, CAS-S certified.

We will recycle or reuse all ICT waste.

Waste minimisation and management (metric tonnes)

Waste management is through our landlords' contracts, apart from confidential paper waste. All offices provide facilities for staff to recycle suitable waste and we encourage staff to recycle.

Total waste composted (food waste)

Food waste is through our landlords' contracts. Citygate offices are supplied with separate food waste bins to allow for separated waste.

Total waste incinerated with energy recovery

Nil return. Included in service charge at both sites.

Total waste to landfill

Nil return. Included in service charge at both sites.

Catering services

Nil return. No on-site catering facilities.

Rebecca Hilsenrath

Accounting Officer

Acting Ombudsman and Chair

8 July 2024



Accountability report

The Board

Chair and Ombudsman



Sir Rob Behrens CBE took up post as Parliamentary and Health Service Ombudsman on 6 April 2017, following a career in higher education and in the UK Senior Civil Service where he was Secretary to the Committee on Standards in Public Life (2003-2006). Sir Rob then became Complaints Commissioner at the Bar Standards Board (2006-2008) and the Independent Adjudicator for Higher Education in England and Wales (2008-2016). Sir Rob is a non-executive Board member of the Local Government and Social Care Ombudsman and Vice Chair of the Ombudsman Association (since 2019). In December 2019, Sir Rob was elected to the International Ombudsman Institute's European and World Boards. He is also a Visiting Professor at University College London (since 2016). Sir Rob is immediate past Chair of the European Network of Ombuds in Higher Education. **Sir Rob Behrens was succeeded by Rebecca Hilsenrath on 19 April 2024.**



Rebecca Hilsenrath was appointed Acting Commissioner (Acting Ombudsman) on 19 April 2024. She joined PHSO as Director of Strategy in 2021, and subsequently succeeded Amanda Amroliwala as Chief Executive Officer on 31 July 2023. Before joining PHSO, Rebecca was the Chief Legal Officer and then Chief Executive Officer of the Equality and Human Rights Commission. Previously, after holding a number of roles in the then Government Legal Service, she was the Chief Executive Officer for five years of LawWorks (the Solicitors Pro Bono Group), a national charity facilitating free legal advice to community groups and individuals in need. She trained as a lawyer and began her career at Linklaters. She set up the National Pro Bono Centre in Chancery Lane and has sat on the boards of a number of charities and advice agencies, including the Bar Pro Bono Unit and the Mary Ward Legal Centre. She holds two honorary doctorates awarded in recognition of services to law. She is the chair of the governing body of the London Academy of Excellence, Tottenham.

Non-executive members

Throughout 2023 to 2024, our non-executive Board members brought an invaluable external perspective to the organisation. They come from diverse professional backgrounds and offer a wide range of experience and expertise.



John Ainsworth joined the board in May 2023. John is the Chief Executive Officer for Atos BPS Limited and Head of Business Transformation Services for Atos. John is a board member for Blackpool Pride of Place where he has played an active role in securing inward investment from government for the regeneration of the area. John sponsors through his company the Digital Vision for Blackpool to maximise community opportunities and supporting schools to develop a non-traditional business led digital curriculum alongside the creation of a digital education hub that is accessible to all children in one of the most deprived areas in the UK.

In addition to his skills and experience, he also brings energy and a strong passion for equality of opportunity and justice in society.



Sir Alex Allan KCB joined the Board on 2 January 2018. He has many years of experience gained throughout his long career at the highest levels of civil service. Alex was until recently the chair of the Selection Panel for Queen's Counsel Appointments and a trustee of the Treloar Trust – a charity providing education and support for young people with physical disabilities. Former roles include the Prime Minister's Independent Adviser on Ministerial Interests, Principal Private Secretary (Chief of Staff) to the Prime Minister and to the Chancellor of the Exchequer, Permanent Secretary at the Ministry of Justice, High Commissioner to Australia, and chairman of the Joint Intelligence Committee. He has led various Government reviews, including two of record management.



Polly Curtis joined the Board on 9 May 2022. She is a journalist, author and media executive, and is currently the Chief Executive of Demos. She has worked as a reporter, news editor, and then digital editor at the Guardian before leading HuffPost UK as Editor-in-Chief. Her interest has always been in how the state's powers impact ordinary people and building media models that reach those who are often left out of the news conversation and therefore disenfranchised. She served on the Cairncross Review for the future sustainability of high-quality news, has been a visiting fellow at the Reuters Institute for the Study of Journalism and was most recently Managing Director of PA Media, the UK's national news agency.



Professor Anne Davies joined the Board on 9 May 2022 and is Chair of the Remuneration and Nominations Committee. She is Professor of Law and Public Policy in the Faculty of Law at the University of Oxford and a Fellow of Brasenose College. Her research interests include employment law and administrative law. She was Dean of the Faculty of Law from 2015 to 2020 and holds a part-time role as a member of the Advisory Panel to the Welsh Language Commissioner. She has previously served as an independent member of the Council of the Advisory, Conciliation and Arbitration Service (ACAS).



Professor Dean Fathers DL joined the Board on 2 January 2018 and is Chair of the Quality Committee. He has over 20 years of experience chairing NHS organisations in primary, acute, mental health and community provider bodies as well as commissioning organisations. He has also been on the Board of NHS Providers, was Vice Chair of the NHS Confederation's Mental Health Network and held appointments on the Workforce Race Equality Standard, Leadership and Talent Academy Boards within the NHS.

Since leaving the NHS, Dean has maintained a portfolio career. He is Chair of Health Innovation NENC, Chair of the Midlands Engine Health Care and Life Sciences Board, a NED with the Academy for Health Care Science (where he chairs the Life Science Industry Advisory Board), is a Governor of Portland College, a Trustee of Care After Combat and has several commercial health-related roles. He is also on the Advisory Board of the Centre for Innovation and Social Enterprise, the University of Delhi, the Advisory Board of Liverpool Hope University Business School and holds Honorary / Visiting Professor appointments with the University of Nottingham and the University of Lincoln.



Michael Parsons joined the board on 5 May 2023 and is Chair of the Audit and Risk Assurance Committee. He is a qualified accountant and has held several executive and non-executive board positions in the wider public and charitable sector.

Before returning to his alma mater Christ's College Cambridge as Bursar in 2021, Michael was Director General, Government Property at the Cabinet Office (2017 to 2021) and head of the Government Property Function, leading a network of over 5,000 colleagues with responsibility for a range of property-related activities across a range of government departments, delivery organisations and agencies. He was responsible for the Government Estate Strategy, and launched the Government Property Agency.

Michael previously held the role of Director General, Capabilities and Resources (Chief Operating Officer) at the Home Office. Joining the Home Office in February 2013, he led the consolidation of corporate functions within the department following the ending of the agency status of UKBA and HMPO. During his time at the HO (2013-2017), Michael led the HO Spending Review 2015, securing significant change investment to support HO Transformation, oversaw the establishment of the HO Digital function alongside a strengthened Technology function, increased the professionalism of Commercial activity, and initiated a reconfiguration of HO Science activity with MOD.

Prior to 2013, Michael had extensive experience in local government, including in Hertfordshire County Council as Director of Resources and Performance where he led the council's ambitious transformation programme, and as Deputy Chief Executive and Director of Resources at Cambridgeshire County Council where he worked closely with the City Council and the University.



Paul Najsarek was a member of the board between 1 April 2023 and 31 January 2024 by virtue of his role as Interim Local Government and Social Care Ombudsman for England. He is the former Chief Executive of Ealing Council and was previously acting Chief Executive and Chief Executive of Harrow and Bolton Councils respectively. He has also been a Director of Adult Social Services.

Paul's leadership of partnerships at national and regional level include leading for Solace on health and social care including its Covid-19 response, regeneration for the West London Alliance, and adult services for London Councils encompassing the capital's adult social care response to the pandemic. He was the Chief Executive lead for Thrive London, the capital's initiative to promote mental health wellbeing. Paul was Head of Policy at the Audit Commission and was part of the central government team that drafted 'Every Child Matters' in 2003.



Anu Singh joined the Board on 13 April 2020 and is Chair of the Inclusion and Wellbeing Committee. She is a Board level local government and health leader, has chaired an NHS Integrated Care Trust, and held the role of statutory Director of Adult Social Care.

Anu was also Director of Patient and Public Participation and Insight for NHS England, where she made sure that the voices of patients, service users, carers and the public were at the heart of how the NHS worked. She was responsible for equalities, health inequalities, person centred care, and the national relationship with the voluntary and community sector.

Anu helps to drive improved experiences and outcomes through Board roles on the South East London and the Birmingham & Solihull Integrated Care Boards, North Central London Mental Health Trusts and as Chair of Lambeth Adult Safeguarding Board.



Amerdeep Somal joined the Board on 1 July 2021 as a Non-Executive Member and succeeded Paul Najsarek as Local Government and Social Care Ombudsman for England on 1 February 2024, at which point she became an ex-officio member of the Board. She is Chair of the Board at The Law Society of England and Wales and a Judge of the Asylum and Immigration Tribunal.

Her previous roles include Complaints Commissioner to the financial regulators (Bank of England, FCA and PRA), Chief Commissioner at the Data and Marketing Commission, Independent Assessor to the Financial Ombudsman Service and Board member at both the General Medical Council and Nursing and Midwifery Council. She is a former founding Commissioner at the Independent Police Complaints Commission.

Executive members



Amanda Amroliwala, CBE, Chief Executive Officer, joined the organisation on 1 October 2016 from the Home Office, where she held various senior leadership positions including Director General of Immigration Enforcement, Chief Operating Officer of Border Force, and Director of Leadership and Learning. She was previously a non-executive director for Central and North West London NHS Foundation Trust, where she was a member of the Performance and Quality Committee and Chair of the Informatics Committee. Amanda was awarded a CBE in 2014 for public service. Rebecca Hilsenrath was appointed Chief Executive Officer on 31 July 2023 and Amanda left the organisation in August 2023.



Gill Kilpatrick Acting Chief Executive Officer, joined the organisation on 1 May 2015. A qualified accountant with over 30 years' experience of financial management across both local and national government sector. She has worked in a number of strategic financial leadership roles across local government, including four years as County Treasurer for Lancashire County Council and Lancashire County Pension Fund. Gill was appointed Acting Chief Executive Officer on 22 April 2024. Prior to that she was the Chief Operating Officer.

Statement of Accounting Officer's responsibilities

Under the Parliamentary Commissioner Act 1967 and the Health Service Commissioners Act 1993, the expenses of the Parliamentary and Health Service Ombudsman are paid out of money provided by Parliament and sanctioned by HM Treasury. For each financial year, HM Treasury requires the preparation of a statement of accounts detailing the use of resources during that year. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Parliamentary and Health Service Ombudsman: its net resource outturn, application of resources, changes in taxpayers' equity and cash flows for the financial year.

In preparing the accounts the Accounting Officer complies with the requirements of the Government Financial Reporting Manual, in particular to:

- observe the Accounts Direction issued by HM Treasury including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgements and estimates on a reasonable basis
- state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the accounts
- prepare the accounts on a going concern basis.

I was appointed Acting Ombudsman on 19 April 2024. Acting Ombudsman carries with it the responsibility of Principal Accounting Officer for PHSO.

The responsibilities of an Accounting Officer include responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, keeping proper records and safeguarding the Parliamentary and Health Service Ombudsman's assets, and are set out in 'Managing Public Money' by HM Treasury.

As Accounting Officer, I can confirm that, as far as I am aware, there is no relevant audit information of which the Parliamentary and Health Service Ombudsman's auditors are unaware. I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the Parliamentary and Health Service Ombudsman's auditors are aware of that information.

I can confirm that the Annual Report and Accounts as a whole are fair, balanced and understandable. I take personal responsibility for the Annual Report and Accounts and the judgments required for determining that they are fair, balanced and understandable.

Rebecca Hilsenrath

Accounting Officer

Acting Ombudsman and Chair

8 July 2024

Governance statement

Introduction

This governance statement sets out the governance, risk management and internal control arrangements for the Parliamentary and Health Service Ombudsman. It applies to the financial year 1 April 2023 to 31 March 2024.

Statutory position

The Parliamentary Commissioner Act 1967 and the Health Commissioners Act 1993, respectively, define the statutory roles of the Parliamentary Commissioner for Administration (the Parliamentary Ombudsman) and Health Service Commissioner (the Health Service Ombudsman). These two roles are vested in one individual post as the Parliamentary and Health Service Ombudsman.

Governance structure

As Acting Parliamentary and Health Service Ombudsman, in statute and by warrant of His Majesty, I am responsible for the sound governance and effective internal control of the Ombudsman service.

I joined PHSO as Director of Strategy in 2021, and subsequently succeeded Amanda Amroliwala as Chief Executive Officer on 31 July 2024. I was appointed Acting Commissioner (Acting Ombudsman) on 19 April 2024. Sir Rob Behrens, CBE, was Ombudsman for the accounting year ending March 2024. I was Director of Strategy and then Chief Executive Officer during this time. Regular discussions with the former Ombudsman as well as my attendance at Board, Executive Team and Audit and Risk Assurance Committee meetings through the year assure me that the content of this governance statement is an accurate reflection of the period prior to my tenure as Acting Ombudsman.

In law the Parliamentary and Health Service Ombudsman is a corporation sole and has a personal jurisdiction. This is not consistent with requirements of good governance. Therefore, a unitary Board (which I chair) is in place to strengthen the governance of the organisation. My executive responsibilities, as a corporation sole, are thus exercised personally as an individual but also aided by means of defined and corporate arrangements that allow for proper scrutiny. As Chair of the Board, I promote collective decision-making. I reserve the right, given my statutory role, to depart from the Board's decisions but only in exceptional circumstances and with a commitment to put my reasons in writing. This right was not exercised by my predecessor in 2023 to 2024.

I have a statutory responsibility for individual cases but have given authority for case activity to officers in a written delegation scheme. I act personally in complex cases and where we identify serious or repeated mistakes that may have system-wide relevance. To ensure that this extensive casework is managed within a defined system of appropriate oversight, I have a detailed scheme of casework delegated authority, which includes the Deputy Ombudsman: Karl Banister, Director of Operations, Clinical and Legal. The Board scrutinises overall performance of casework, but not individual cases.

As Accounting Officer, I am accountable to Parliament for the stewardship of our resources. I have delegated executive responsibility to the Interim Chief Executive for effective financial control arrangements as Accountable Officer. This is a contractual responsibility and allows me to have a separate accountable person charged with stewardship and probity for our use of public money.

I discharge my responsibility through assurance from the Accountable Officer and the Executive Team, and through assurance and challenge by the Board, the Audit and Risk Assurance Committee, the Quality Committee, the Remuneration and Nominations Committee, and, since November 2023, the Inclusion and Wellbeing Committee.

PHSO's Board and Committee structures are shown in the table below

Committee	Role	Reports to PHSO Board	Board role: Collective decision-making on strategic direction and performance Ombudsman, nine non-executive and two executive members Met six times in 2023 to 2024		
<p>Audit and Risk Assurance Committee</p> <p>Three non-executive members</p> <p>Met six times in 2023 to 2024</p>	<p>Oversees the adequacy of the corporate governance and control systems, ensuring compliance with accounting policies and standards and ensuring systems are in place to achieve value for money</p>				
<p>Inclusion and Wellbeing Committee</p> <p>Two non-executive members</p> <p>Met twice in 2023 to 2024</p>	<p>Monitors and evaluates the design and delivery of the Inclusion and Wellbeing Strategy.</p>				
<p>Quality Committee</p> <p>Three non-executive members</p> <p>Met four times in 2023 to 2024</p>	<p>Oversees assurance on the arrangements for assessment of the quality of casework decisions, process and the experience of service users</p>				
<p>Remuneration and Nominations Committee</p> <p>Three non-executive members</p> <p>Met once in 2023 to 2024</p>	<p>Agrees pay and performance review arrangements for the Chief Executive and Chief Operating Officer. It supports the Ombudsman and Chief Executive with recruitment of senior executives and non-executive Board members</p>				

Terms of Reference for the Board and each Committee have clarity and accountability, allowing Board members to make decisions, monitor performance and manage resources and risk. An observer programme, open to all staff, ensures visibility and transparency of the decision-making processes of the Board.

The role of the Board

There is no requirement in legislation for the Ombudsman to appoint a Board. The role of the Board is therefore at the discretion of the Ombudsman and, as a result, is advisory in nature. However, to enable challenge in the way we consider necessary, we seek collective decisions from the Board on the strategic direction and performance of the PHSO service. In practice, the Board works as a fully functioning unitary board, but has no responsibility for individual cases.

To deliver its role, the Board focuses on:

- strategy, planning and policy
- development of the organisation to deliver its strategic aims
- governance, including risk and assurance
- performance, including financial, service quality and operations.

The Board has no responsibility for individual casework decisions or investigations. These remain the responsibility of the Ombudsman, managed within the Scheme of Delegation.

Matters reserved for the Board include:

- vision, mission, strategy and key policies
- annual business plan and budget
- Annual Report and Accounts
- all non-pay expenditure above £500k, whether a single item, over the life of a single contract or constituting the total cost of a project.

Matters considered by the Board in 2023 to 2024 included the following:

- operational and corporate performance
- strategic risk, including regular review of the Strategic Risk Register and approval of the organisation's risk appetite for 2024 to 2025
- progress against the Business Plan and Equality, Diversity and Inclusion Plan
- financial management
- progress on the delivery of the organisation's Transformation Programme
- the Ombudsman's and Chief Executive's appearance before the Public Administration and Constitutional Affairs Committee
- the process for the appointment of a new Ombudsman and Acting Ombudsman
- approval of the Annual Report and Accounts for 2023 to 2024
- approval of the Business Plan and budget for 2024 to 2025
- approval of the revised Governance Framework
- the organisation's approach to demand management

Highlights of the activities of the committees

The Committees of the Board fulfil their responsibilities by receiving and considering reports. The key areas considered by the committees are set out below.

Audit and Risk Assurance Committee (ARAC)

Chair: Michael Parsons

Highlights of Committee reports

In order to oversee the adequacy of governance and internal controls, in 2023 to 2024 ARAC approved, reviewed or was assured of the following:

- financial management, including financial performance and compliance with the Finance Code and Procurement Code
- the level of financial risk within PHSO's budget position, which is being appropriately managed in the face of inflationary pressures and the uncertain economic position
- information assurance performance and compliance with the General Data Protection Regulation
- value for money (VFM): overseeing the organisation's adoption of the HM Treasury Public Value Framework and its incorporation into the business planning process for 2024 to 2025
- risk management: the Committee discussed the Strategic Risk Register and the actions to mitigate those risks as a regular agenda item in advance of quarterly Board meetings
- assurance reviews: two in-depth examinations of specific areas of activity to seek assurances on the management and mitigation of risks, including the development of the Security Operation Centre and the Digital, Data and Technology (DDaT) Roadmap
- the scope of the plan and findings of the National Audit Office's (NAO) audit of the organisation's resource accounts
- the scope of the plan and findings of the internal auditor's assurance review of key areas of the organisation's activities
- five internal audits produced by internal auditors TIAA, of which one was advisory, two recorded substantial assurance, and two reported reasonable assurance, as well as a follow-up report which found that good progress had been made on implementation of audit recommendations.
- compliance with the organisation's internal policies, controls and assurance mechanisms.

Inclusion and Wellbeing Committee

Chair: Anu Singh

Highlights of Committee reports

The inclusion and Wellbeing Committee was formed in November 2023 and met twice during 2023 to 2024, considering:

- Progress made against the Equality, Diversity and Inclusion (EDI) Strategy 2020 to 2024;
- The development of a one-year bridging Inclusion and Wellbeing Plan for 2024 to 2025;
- The Public Engagement and Advisory Group's work and its EDI focus.

Quality Committee

Chair: Dean Fathers

Highlights of Committee reports

The Quality Committee provided assurance to the Board on the quality of casework decision-making and user experience, by considering:

- performance against targets for casework quality: scrutinising data from multiple sources, including Service Charter commitment data, internal quality assurance sampling, feedback from the organisations we investigate, and data from the Review and Feedback process
- casework publishing, including the development and improvement of the automated process for publication of casework decisions on PHSO's website
- our Complaints Standards and their role in supporting a culture of learning within the organisations we investigate
- feedback from PHSO's Public Engagement Advisory Group, which discussed topics including report writing and style, the appropriate use of empathy, and PHSO's Public Value Model
- the introduction of a revised Service Charter survey
- other initiatives to automate the casework process.

The Committee continued to host informal workshop-style sessions on customer experience, including presentations from PHSO service users, health campaign groups and organisations we investigate. These sessions are open to all non-executive members.

Remuneration and Nominations Committee

Chair: Anne Davies

Highlights of Committee reports

In order to agree pay and performance review arrangements for the Chief Executive and Chief Operating Officer, and to support the recruitment of senior executives, the Remuneration and Nominations Committee reviewed and was assured of the pay and performance of the Chief Executive and Chief Operating Officer.

Dates of appointments and attendance at Board and committee meetings

Table of attendance of executives and non-executive Board members at meetings where they are members.

Board member	Date of appointment (date of reappointment for second term)	End of appointment	Board (six meetings)	Audit and Risk Assurance Committee (five meetings)	Inclusion and Wellbeing Committee (two meetings)	Quality Committee (four meetings)	Remuneration and Nominations Committee (one meeting)
Sir Rob Behrens	6 April 2017	5 April 2024	6 out of 6	N/A	N/A	N/A	N/A
Non-Executive Board members as at 31 March 2024							
John Ainsworth	5 May 2023	4 May 2026	6 out of 6	N/A	N/A	3 out of 4	N/A
Sir Alex Allan ¹	2 January 2018 (2 January 2021)	1 January 2025	6 out of 6	N/A	N/A	1 out of 1	1 out of 1 (Chair)
Polly Curtis	9 May 2022	8 May 2025	5 out of 6	N/A	N/A	4 out of 4	N/A
Anne Davies	9 May 2022	8 May 2025	6 out of 6	5 out of 5	N/A	N/A	N/A
Dean Fathers ²	2 January 2018 (2 January 2021)	1 January 2025	6 out of 6	N/A	2 out of 2	4 out of 4 (Chair)	N/A
Michael Parsons	5 May 2023	4 May 2026	4 out of 6	5 out of 5	N/A	N/A	N/A
Anu Singh	13 April 2020 (13 April 2023)	12 April 2026	5 out of 6	5 out of 5	2 out of 2	N/A	N/A

1 Term of office extended by 12 months to 1 January 2025, to support the transition to a new Ombudsman and Chief Executive Officer.

2 Term of office extended by 12 months to 1 January 2025, to support the transition to a new Ombudsman and Chief Executive Officer. .

Board member	Date of appointment (date of reappointment for second term)	End of appointment	Board (six meetings)	Audit and Risk Assurance Committee (five meetings)	Inclusion and Wellbeing Committee (two meetings)	Quality Committee (four meetings)	Remuneration and Nominations Committee (one meeting)
Amerdeep Somal	1 July 2021 1 February 2024 (LGSCO ex-officio)	30 June 2024	3 out of 6	4 out of 4	N/A	N/A	1 out of 1
Executive members as at 31 March 2024							
Rebecca Hilsenrath	31 July 2023	N/A	2 out of 2	N/A	N/A	N/A	N/A
Gill Kilpatrick (Chief Operating Officer)	1 May 2015	N/A	6 out of 6	N/A	N/A	N/A	N/A
Former Non-Executive members							
Rebecca Hilsenrath	1 April 2023 (LGSCO ex-officio)	31 January 2024	4 out of 5	N/A	N/A	N/A	N/A
Former Executive members							
Amanda Amroliwala (Chief Executive)	1 October 2016	8 September 2023	4 out of 4	N/A	N/A	N/A	N/A

The effectiveness of the Board and its committees

Four new Board members began their terms in 2023 to 2024.

Best practice of corporate governance recommends that an effectiveness review of the Board is undertaken every year and that an independent evaluation of Board effectiveness is undertaken at least every three years. PHSO complies with best practice, with an independent review commissioned in 2021 to 2022. In 2023 to 2024, for reasons of proportionality, we conducted the Board effectiveness review in-house. This consisted of a survey to which various stakeholders contributed, including the Ombudsman and the Executive Team, and our internal and external auditors.

The findings of the review were presented to the Board in June 2024 and provided substantial assurance of the Board's effectiveness across seven key themes (Objectives, strategy and remit; Performance management; Relationships with key stakeholders; Delivery chain and project management; Risk management; The Audit Committee and The Boardroom).

Each non-executive member of the Board and the Chief Executive receives an annual competency-based appraisal of their performance, undertaken by the Ombudsman. The Chief Operating Officer receives an annual competency-based appraisal of their performance undertaken by the Chief Executive. The Ombudsman's appraisal is undertaken by the Senior Non-Executive Board Member.

Performance reporting to the Board

There are a number of quality assurance processes in place for information to be considered by the Board, including:

- consistent reporting on performance against key performance indicators at each Board meeting. This includes both current and historical information to enable the Board to identify trends over time
- applying consistent methodologies for collecting and analysing data that are understood by all staff responsible for data input and collection, with clear sign-off processes
- a robust process for checking the accuracy of the information being extracted from systems before it is presented to the Board.
- reporting on emerging risks.

Risk management

At the start of 2023 to 2024, the PHSO Board agreed the organisation's risk appetite as open – setting out the amount of risk we were willing to accept in pursuit of strategic objectives.

The strategic risk landscape this year was complex with all risks being strongly inter-connected, resulting in a potentially significant impact on morale and motivation of our staff, and the ability to deliver our strategic ambitions. Throughout the year, we planned for not only a change in strategic leadership with the appointment of a new Ombudsman, but the risk of no Ombudsman with the resulting impact on the ability to deliver our service, and the subsequent increase in staff uncertainty and organisational fragility. This was also impacted by changes to the Executive Team, and restructures in key areas. We managed significant financial risk throughout the year, with pressures caused by increases in demand and the cumulative impact of high inflation over the past two years. This impacted not only on our ability to deliver all planned business change but also on engagement of our staff, due to the ongoing financial uncertainty and the impact of savings exercises. At a time of sustained increases in demand for our service, an ongoing difficult financial landscape for the public sector, sustained cost of living crisis impacting on staff, careful strategic planning and risk mitigation measures will continue to be critical in order to effectively deliver the final year of our corporate strategy in 2024 to 2025 and embed change effectively.

As with previous years, we continued to ensure that risk management is embedded throughout the organisation. All staff were required to undertake annual risk management training. PHSO's Risk Forum met regularly to review the strategic and directorate level risks and we hosted risk-themed workshops for relevant project and directorate stakeholders.

The risks we managed during the year are set out on pages 51 and 52.

Internal controls

The assurance framework operated within the organisation enables us to be satisfied that internal controls are sufficiently robust, to be confident that risks are proactively identified, mitigated and escalated as required, that the Scheme of Delegation within the Governance Framework is understood and adhered to by the appropriate staff, and that assurance systems are in place to monitor compliance.

In 2023 to 2024, TIAA was our internal auditor. The internal audits they conducted during the year have provided assurance on governance, financial and risk management arrangements.

In 2023 to 2024, the NAO audit completion report set out the findings from the audit work, including findings from areas of key risk. No control weaknesses were identified.

Personal data-related incidents

In 2023 to 2024, the Chief Operating Officer was the Senior Information Risk Owner (SIRO) and the Assistant Director of Data, Security and Privacy was the Data Protection Officer (DPO). From 1 April 2024, the Chief Digital Information Officer will be SIRO and we will have a dedicated DPO. Our commitment to ensuring that information risks are managed and that data is stored and managed securely in line with legal obligations is set out in our privacy policy on our website.

Data security incidents are reported to the Data Security and Privacy Team who manage them in accordance with data protection legislation and best practice. All incidents are recorded, as are the immediate steps taken to minimise the risk of a repeat occurrence. The SIRO and the DPO consider the wider implications and agree steps to improve overall information security. Risks are recorded on the appropriate risk register and mitigations put in place and monitored. There was one significant incident requiring reporting to the Information Commissioner's Office (ICO) in 2023 to 2024 as required by the General Data Protection Regulation (UK GDPR) 2018, and the ICO were satisfied with the steps taken to resolve this.

Governance compliance

The Board monitors compliance with the Governance Framework, which is based on the principles of good governance as detailed in the relevant sections of 'Corporate Governance in Central Departments: Code of Good Practice' (Cabinet Office, HM Treasury, April 2017).

The Audit and Risk Assurance Committee scrutinises quarterly compliance with the Governance Framework and reviews the risk management process set out in the Risk Management Policy, which is approved by the Board. The Committee actively seeks additional sources of assurance on the robustness of the governance and risk arrangements including internal audit reports as well as commissioning 'assurance reviews' into specific areas of risk or risk mitigation. In 2023 to 2024 the assurance reviews included the development of the Security Operation Centre, a fundamental aspect of our management of cyber security risk, and the Digital, Data and Technology (DDaT) Roadmap.

The Committee also considers compliance with the Finance and Procurement Codes quarterly. In 2023 to 2024 the Committee noted two instances where services were commissioned without following the procedures in the Procurement Code. In both cases the Committee was satisfied that the procurement was appropriate.

A report on compliance with all aspects of the Governance Framework is scrutinised annually by the Audit and Risk Assurance Committee. In 2023 to 2024 all aspects of the Framework were complied with, and no departures were noted. The Committee reports this activity to the Board.

Fraud, bribery and raising concerns policies

We have an anti-fraud and bribery policy, and a Freedom to Speak Up policy, with associated response plans in place. The Freedom to Speak Up policy was developed in line with best practice guidance from the National Guardian's Office to encourage and support staff in raising concerns, no matter how small. As part of the policy, we have two Freedom to Speak Up Guardians (FTSUG) in post, with whom staff can raise concerns in the first instance. Both policies are available to staff on the intranet and promoted at induction. Additional advice and training on the anti-fraud and bribery policy is provided for staff who manage budgets or undertake procurement. We do not tolerate any

form of fraudulent or improper activity and are supportive of those wishing to raise concerns. There is an assurance of anonymity and security by offering alternate routes to raise concerns as well as providing professional and independent support as and when necessary. In 2023 to 2024 no action was required under the anti-fraud and bribery policy. Matters raised with the FTSUG were brought to the attention of management and responded to. The Board receives an annual report from the FTSUGs.

Declaration and management of interests

PHSO operates a Conflict of Interests Policy, which requires all employees to report any actual or perceived professional or personal obligations or personal or financial interests that would make it difficult to fulfil their duties fairly or effectively, or which could influence, or may be perceived to influence, PHSO's judgements or actions. All staff are required to declare all external interests on appointment. Members of the Executive Team and non-executive Board members are also required to make annual declarations of any conflicts of interest and any transactions between PHSO and themselves and close relatives. Board members and all attendees are required to declare any conflicts of interest in relation to the matters under discussion at the beginning of each Board or Committee meeting. We also maintain a register of [Board members' interests](#), which is published annually on our website and is reported to the Audit and Risk Assurance Committee.

Gifts and hospitality

PHSO staff are required to report the offer or receipt of gifts and hospitality with a value of £25 or more, and we regularly remind them of this requirement. We record the offer or receipt of gifts and any invitations of hospitality in a register for this purpose, whether the offer was accepted or declined. Three reports of hospitality received were recorded during the business year, to the value of approximately £200 to £350. The [register](#) is published on the website.

Internal audit reports

The Audit and Risk Assurance Committee approves an internal audit plan based on an analysis of PHSO's corporate objectives, risk profile and assurance framework, and likely changes in the sector.

TIAA, the internal auditor for 2023 to 2024, undertook five internal audits that were considered by the Audit and Risk Assurance Committee:

1. iTrent HR and payroll platform
2. Procurement
3. Transformation Programme (Phase 2)
4. Casework queue management and control
5. Set-up and implementation of the Public and User Engagement Advisory Group

Four of the five completed audits included a formal assurance rating. Of these, two reported substantial assurance and two reported reasonable assurance that the management controls in place are suitably designed and are being consistently applied.

All internal audit recommendations receive a detailed management response and action plan that is monitored by the Audit and Risk Assurance Committee.

The follow-up review of audit recommendations from 2023 to 2024 found that PHSO had made good progress in implementing audit recommendations.

Head of Internal Audit Opinion

The Head of Internal Audit is required to provide an annual opinion in accordance with Public Sector Internal Audit Standards based upon and limited to the work performed, on the overall adequacy of the organisation's risk management, control and governance processes. This is achieved through a risk-based programme of work, agreed with the Executive Team and approved by the Audit and Risk Assurance Committee. Four assurance levels are available in regards to risk management, control and governance processes: substantial assurance (green); reasonable assurance (yellow); limited assurance (amber); no assurance (red).

The Head of Internal Audit has provided me with their opinion for 2023 to 2024 which is that PHSO has reasonable and effective risk management, control and governance processes in place.

Review of the year and looking ahead

I am confident that effective governance processes are embedded in the organisation. The Audit and Risk Assurance Committee has an annual plan of assurance and has reviewed evidence on the implementation of internal audit recommendations. It has also assured itself of the effectiveness of risk management and mitigation arrangements, including in-depth examinations of specific areas of activity. Alongside this assurance, I have taken full account of the National Audit Office's observations and reports.

In 2024 to 2025 we will continue to consolidate this activity by ensuring that the Governance Framework and the Strategy for Managing Risk are regularly reviewed and are supporting good governance and active risk management throughout the organisation by promoting consistent, coherent and transparent frameworks for decision-making.

Rebecca Hilsenrath

Accounting Officer

Acting Ombudsman and Chair

8 July 2024



Remuneration and staff report

The remuneration and staff report includes details of the pay and benefits of PHSO's Board members, the total salary costs, staff numbers and diversity of the organisation as a whole, and other staff-related disclosures required by the HM Treasury Financial Reporting Manual.

The Ombudsman and executive Board members' remuneration (audited)

	2023-24			
	Salary (bands of £5,000) £000	Non-consolidated pay (bands of £5,000) £000	Pension benefits (to the nearest £1,000) £000	Total remuneration (bands of £5,000) £000
Sir Rob Behrens CBE (term ended 31 March 2024)	170-175	-	-	170-175
Amanda Amroliwala CBE (term ended 30 July 2023)	60-65 (FYE 180-185)	5-10	-	65-70
Rebecca Hilsenrath (from 31 July 2023)	110-115 (FYE 165-170)	-	33	140-145
Gill Kilpatrick	140-145	5-10	-	145-150

None of the Board receive any taxable benefits in kind.

Rebecca Hilsenrath was appointed as Acting Ombudsman on 19 April 2024.

Gill Kilpatrick was appointed as Acting Chief Executive Officer on 22 April 2024.

In the absence of available information on pension entitlements (explained on page 87), pension benefits for Rebecca Hilsenrath are stated at the level of employer contributions for 2023 to 2024

	2022-23				
	Salary (bands of £5,000) £000	Annual leave sold (bands of £5,000) £000	Non- consolidated pay (bands of £5,000) £000	Pension benefits (to the nearest £1,000) £000	Total remuneration (bands of £5,000) £000
Sir Rob Behrens CBE	170-175	-	-	-	170-175
Amanda Amroliwala CBE	170-175	5-10	10-15	-	190-195
Gill Kilpatrick	135-140	-	5-10	-	145-150

Non-consolidated payments were accrued for in 2022 to 2023 and were paid in 2023 to 2024. Amanda Amroliwala sold annual leave during 2022 to 2023.

Pension Entitlements (audited)

Sir Rob Behrens, Amanda Amroliwala and Gill Kilpatrick have waived their entitlement to pension benefits.

	Accrued pension and related lump sum at pension age 31 March 2024 £000	Real increase in pension and related lump sum at pension age £000	CETV at 31 March 2024 £000	CETV at 31 March 2023 £000	Real increase in CETV £000
Rebecca Hilsenrath (from 31 July 2023)	-	-	-	-	-

Accrued pension benefits for directors are not included in this table for 2023 to 2024 due to an exceptional delay in the calculation of these figures following the application of the public services pensions remedy. Further details can be found at www.gov.uk/government/collections/how-the-public-service-pension-remedy-affects-your-pension

Non-executive Board members' remuneration (audited)

	2023-24	2022-23
	Salary (bands of £5,000) £000	Salary (bands of £5,000) £000
Sir Alex Allan KCB	10-15	10-15
Linda Farrant (term ended 31 March 2023)	-	10-15
Dean Fathers DL	10-15	10-15
Ram Gidoomal CBE (term ended 31 March 2023)	-	10-15
Michael King (term ended 31 March 2023)	-	-
Anu Singh	10-15	10-15
Amerdeep Somal (term ended 31 January 2024)	8-10 (FYE 10-15)	10-15
Paul Najsarek (from 1 April 2023 to 31 January 2024)	-	-
Polly Curtis (from 9 May 2022)	10-15	10-15 (FYE 10-15)
Anne Davies (from 9 May 2022)	10-15	10-15 (FYE 10-15)
John Ainsworth (from 5 May 2023)	5-10 (FYE 10-15)	-
Michael Parsons (from 5 May 2023)	10-15 (FYE 10-15)	-

Paul Najsarek was the Interim Local Government and Social Care Ombudsman and sat as a member of the PHSO Board ex-officio. He did not receive any remuneration from PHSO.

Amerdeep Somal was remunerated for her role as a non-executive Board member until she was appointed Local Government and Social Care Ombudsman from 1 February 2024, from which point she sat as a member of the PHSO Board ex-officio and no longer received any remuneration from PHSO.

Non-executive Board members do not receive a pension benefit, and do not receive any taxable benefits in kind.

Pay policy for Board members

Sir Rob Behrens took up his post as the Parliamentary and Health Service Ombudsman on 6 April 2017 following appointment by the Queen and ratification by Parliament. The Ombudsman post comprises two specific roles, with one salary for the combined post, paid directly from the Consolidated Fund. Sir Rob Behrens was not a member of the pension scheme and so does not accrue pension benefits.

The PHSO Remuneration and Nominations Committee determines the pay and performance review arrangements of the Chief Executive and Chief Operating Officer (the senior executive team) in accordance with PHSO's Senior Pay Policy, which includes comparability with: the Guidance for approval of senior pay: Senior pay controls process (available on www.gov.uk). Civil Service pay remit guidance (available on www.gov.uk); and appropriate pay market data on external comparison. Non-executive Board members' remuneration is decided by the Ombudsman and payments reflect different responsibilities carried out by Board members, such as chairing a committee.

Non-executive members are appointed to the Board for a term of three years, renewable for one further term. Further extension will be at the discretion of the Ombudsman. The contract appointment dates for non-executive members, dates of extension and end dates are shown in the table on pages 78 and 79.

All Board members were appointed under fair and open competition. Executive Board members' appointments are open-ended. Early termination of an executive member's contract, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

Staff costs (audited)

	2023-24				2022-23
	Permanently employed staff £000	Fixed-term contracts £000	Agency staff £000	Total £000	Total £000
Wages and salaries	24,153	468	155	24,776	23,628
Social security costs	2,949	49	-	2,998	2,528
Other pension costs	6,350	112	-	6,462	5,735
Less capitalised salary costs	(677)	-	-	(677)	(927)
Subtotal	32,775	629	155	33,559	30,964
Ombudsman's salary and on-costs	193	-	-	193	195
Total staff costs	32,968	629	155	33,752	31,159

Staff numbers and diversity at 31 March

At the end of March 2024, we employed 539 full-time equivalents (FTEs) excluding agency staff and non-executive Board members.

Senior managers by grade (full-time equivalents)

Grade	31 March 2024			31 March 2023
	Female	Male	Total	Total
0 (Chief Executive and Chief Operating Officer)	2	-	2	2
1 (Directors)	1	1	2	2
2 (Assistant Directors)	10	3	13	16
Total	13	4	17	20

Average number of persons employed during the year (audited)

	2023-24	2022-23
Permanent employees	577	549
Fixed-term contract employees	5	18
Total	582	567

Diversity statistics

The reported diversity statistics of our Board and employees are as follows. Some characteristics may be under-reported where colleagues have chosen not to provide the information.

	31 March 2024	31 March 2023	Population benchmark (where available)
The Board (10 members at 31 March 2024; 12 members at 31 March 2023)			
Female	50%	58%	51%
Asian, Black, Mixed Ethnicity and Other Ethnic Group	20%	25%	18%
Disabled	0%	0%	N/A
Lesbian, gay, bisexual and transgender	20%	8%	N/A
Aged 50+	80%	75%	31%
Other employees			
Female	60%	59%	51%
Asian, Black, Mixed Ethnicity and Other Ethnic Group	17%	17%	18%
Disabled	13%	13%	N/A
Lesbian, gay, bisexual and transgender	12%	12%	3%
Part-time	15%	14%	N/A
Aged 50+	20%	20%	31%

The population benchmarks for the percentages of female colleagues, colleagues from Asian, Black, Mixed Ethnicity and Other Ethnic Groups, and colleagues aged 50 or older are from the working age 16 to 64 age grouping in the 2021 Census for England and Wales. The population benchmark for lesbian, gay, bisexual and transgender is for the population aged 16 and over in the 2021 Census for England and Wales.

Fair pay disclosure (audited)

Reporting bodies are required to disclose:

- the relationship between the total remuneration of the highest-paid director in their organisation and the upper, median and lower quartile remuneration of the organisation's workforce
- the percentage change from the prior year to the current year in both the salary and the non-consolidated performance pay of the highest-paid director
- the percentage change from the prior year to the current year in both the average salary and the average performance pay of all employees excluding the highest-paid director.

	2023-24 £	2022-23 £	Percentage change %
Highest-paid director: salary (bands of £5,000)	180,000 - 185,000	170,000 - 175,000	6%
Highest-paid director: non-consolidated performance pay (bands of £5,000)	5,000 - 10,000	10,000 - 15,000	(40%)
Highest-paid director: total remuneration (bands of £5,000)	190,000 - 195,000	190,000 - 195,000*	-
Lowest paid salary (bands of £5,000)	20,000 - 25,000	20,000 - 25,000	-
Average remuneration excluding the highest-paid director: salary	45,333	42,274	8%
75th percentile remuneration	52,932	48,451	9%
Median remuneration	36,903	35,314	5%
25th percentile remuneration	34,292	32,815	5%
Ratio highest-paid to 75th percentile remuneration	3.6:1	3.9:1	N/A
Ratio highest-paid to median remuneration	5.2:1	5.3:1	N/A
Ratio highest paid to 25th percentile remuneration	5.6:1	5.7:1	N/A

*The value calculated in the salary banding includes annual leave sold. This is a benefit which was offered to all employees and has not been factored in any of the above calculations of median, 75th and 25th percentiles, nor any of the ratios. This was only applicable in 2022 to 2023.

Although the Ombudsman's salary cost is borne by PHSO, he is paid through a payroll managed by the Ministry of Justice and so his remuneration is not included in the calculation of the fair pay disclosures. The pay of non-executive Board members is also not included in the calculations. Remuneration for the purpose of the ratio disclosures includes salary, non-consolidated performance-related pay and benefits in kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions. The only employees who are eligible for performance-related pay are the Chief Executive, the Chief Operating Officer and the Directors. The Chief Executive's and the Chief Operating Officer's remuneration is disclosed in the table on page 86.

The ratios of the total remuneration of the highest-paid director to the 75th percentile, median and 25th percentile remuneration have all reduced in 2023 to 2024 compared to 2022 to 2023, mainly due to a performance payment paid to the highest-paid director.

Average, 75th percentile and 25th percentile remuneration have all increased compared to 2022 to 2023 due to a number of factors, including:

- an annual across-the-board cost of living increment of 4.5%
- a number of new hires, affecting the 75th percentile, with specialist skills joining the workforce on spot salaries.

Staff turnover

The attrition rate (turnover of permanent staff) in 2023 to 2024 was 10%, compared to 12% in 2022 to 2023 and to wider public sector attrition which is reported in the CIPD Spring 2024 report as 19%. Staff turnover, including those on fixed-term contracts, was 12% in 2023 to 2024, down from 16% in 2022 to 2023.

Health and safety

There were no reportable health and safety at work incidents in 2023 to 2024 (2022 to 2023: nil) under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013.

Sickness absence

The average number of sick days in 2023 to 2024 increased to 10.58 days per full-time equivalent (FTE) employee, from 8.66 days in 2022 to 2023. CIPD Health and Wellbeing at Work published a report in September 2023, confirming that absence levels increased across all sectors. As in previous years, average absence levels are considerably higher in the public sector (10.6 days per employee) than in other sectors. The CIPD health and wellbeing at work report published in September 2023 shows there is a marked increase in sickness absence which is at its highest level (7.8 days across both private and public sector) in a decade.

Off-payroll engagements

All public authorities who contract individuals to provide services through an intermediary for more than six months have to report on the financial arrangements to make sure they are transparent, and that the worker is paying the right amount of tax and National Insurance.

The tables below outline the off-payroll arrangements for 2023 to 2024. All the individuals who fall within these arrangements were employed on an ad hoc basis to provide specialist skills and were recruited through a robust recruitment process.

The following tables provide details of off-payroll engagements for more than £245 per day that lasted for longer than six months.

Number of existing engagements as of 31 March 2024	5
Of which:	
Number that have existed for less than one year at time of reporting	1
Number that have existed for between one and two years at time of reporting	1
Number that have existed for between two and three years at time of reporting	-
Number that have existed for between three and four years at time of reporting	-
Number that have existed for four or more years at time of reporting	3

All off-payroll workers are assessed under IR35 guidelines to establish how they should be paid.

All individuals who are directed by the organisation in their day-to-day tasks are deemed to fall within the scope of IR35 and must be paid as if they were an employee, even if it is via a third-party agency or umbrella company. This means that they will pay the correct amount of National Insurance and tax.

Contractors who are not directed by the organisation and are providing third-party advice and expertise fall outside the scope of IR35 and are paid via a limited company without deduction of tax and National Insurance. There were five contractors who fell into this category.

Total engagements at any point during the year ended 31 March 2024	5
Of which:	
Number not subject to off-payroll legislation	5
Number subject to off-payroll legislation and determined as in scope of IR35	-
Number subject to off-payroll legislation and determined as out of scope of IR35	-
Number of engagements reassessed for compliance or assurance purposes during the year	-

Employee relations

There were no days lost in 2023 to 2024 or 2022 to 2023 due to industrial action or other employee relations disputes.

Consultancy

Spending on consultancy was £118k in 2023 to 2024 (2022 to 2023: £588k).

Pensions

For 2023 to 2024, contributions of £7.718m were payable to the Principal Civil Service Pension Scheme (PCSPS) (2022 to 2023: £6.873m) including employer's contributions at one of our four rates in the range of 26.6% to 30.3% of pensionable earnings, based on salary bands. The scheme actuary reviews employer contributions usually every four years following a full-scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2023 to 2024 to be paid when the member retires, and not the benefits paid during this period to existing pensioners.

Employees who do not enter the Civil Service Pension Scheme can opt to open a partnership pension account or a stakeholder pension with an employer contribution. Employer's contributions of £80k (2022 to 2023: £56k) were paid to the provider appointed by the scheme manager (Legal & General). Employer's contributions are age-related and ranged from 8% to 14.75%. Employers also match employee contributions up to 3% of pensionable earnings and contribute an additional 0.5% of pensionable pay to cover the cost of the future provision of lump sum benefits on death in service or ill-health retirement of these employees.

Contributions due to the partnership pension providers at the balance sheet date were £11k (2022 to 2023: £8k).

Exit packages (audited)

There were four exit packages in 2023 to 2024 (2022 to 2023: four). None of those were compulsory redundancies.

	2023-24	2022-23
Exit package band	Total number of exit packages by cost band	Total number of exit packages by cost band
< £10,000	1	4
£10,001 - £25,000	2	-
£25,001 - £50,000	-	-
£50,001 - £100,000	1	-
£100,001 - £150,000	-	-
£150,001 - £200,000	-	-
£200,001 - £250,000	-	-
Number	4	4
Total (£000)	£115	£12

Included in the table above is one voluntary exit of £47k (2023: nil) which is included in the £50,001 to £100,000 band as it included a CILON payment as well.

Payments for CILON, when made, are in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. Other departure costs have been paid in accordance with all contractual terms.

Exit costs are accounted for in full in the year of departure. Ill-health retirement costs are met by the pension scheme and are not included in this table.

Explanation of terms used in the remuneration and staff report

Salary

Salary includes gross salary, overtime, reserved rights to London weighting or London allowances, recruitment and retention allowances, private office allowances, and any other allowance to the extent that it is subject to UK taxation. This report is based on payments made by PHSO and thus recorded in these accounts.

Benefits in kind

The monetary value of benefits in kind covers any benefit provided by PHSO and treated by HM Revenue and Customs as a taxable emolument. PHSO provided no taxable benefits in kind in either 2022 to 2023 or 2023 to 2024.

Civil Service pensions

Pension benefits are provided through the Civil Service pension arrangements.

The Principal Civil Service Pension Scheme (PCSPS) and the Civil Service and Other Pension Scheme (CSOPS) – known as alpha – are unfunded multi-employer defined benefit schemes, but PHSO is unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the PCSPS as at 31 March 2020.

You can find details in the resource accounts of the Cabinet Office: Civil Superannuation www.civilservicepensionscheme.org.uk

From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme, or alpha - which provides benefits on a career-average basis with a normal pension age equal to the member's State Pension age. From that date, all newly appointed civil servants and the majority of those already in service joined alpha. Prior to that date, civil servants participated in the Principal Civil Service Pension Scheme (PCSPS).

The PCSPS has four sections: three providing benefits on a final-salary basis (classic, premium or classic plus) with a normal pension age of 60, and one providing benefits on a whole-career basis (nuvos) with a normal pension age of 65.

These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, classic plus, nuvos and alpha are increased annually in line with pensions increase legislation.

Existing members of the PCSPS who were within ten years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015. Those who were between ten years and thirteen years and five months from their normal pension age on 1 April 2012 switched into alpha between 1 June 2015 and 1 February 2022. All members who switch to alpha have their PCSPS benefits banked, and those with earlier benefits in one of the final salary sections of the PCSPS will have those benefits based on their final salary when they leave alpha. (The pension figures quoted for officials show pension earned in PCSPS or alpha, as appropriate. Where the official has benefits in both the PCSPS and alpha, the figure quoted is the combined value of their benefits in the two schemes.)

Members who joined from October 2002 may opt for either the appropriate defined benefit arrangement or a 'money purchase' stakeholder pension with an employer contribution (partnership pension account).

Employee contributions are salary-related and range between 4.6% and 8.05% for members of classic, premium, classic plus, nuvos and alpha. Benefits in classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years' initial pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum. Classic plus is essentially a hybrid, with benefits for service before 1 October 2002 calculated broadly as per classic and benefits for service from October 2002 worked out as in premium. In nuvos, a member builds up a pension based on their pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March), the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with pensions increase legislation. Benefits in alpha build up in a similar way to nuvos, except that the accrual rate is 2.32%. In all cases, members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 8% and 17.75% (depending on the age of the member) into a stakeholder pension.

The employee does not have to contribute, but where they make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of classic, premium and classic plus, 65 for members of nuvos, and the higher of 65 or State Pension age for members of alpha. (The pension figures quoted for officials show pension earned in PCSPS or alpha, as appropriate. Where the official has benefits in both the PCSPS and alpha, the figure quoted is the combined value of their benefits in the two schemes, but note that part of that pension may be payable from different ages.)

Cash equivalent transfer values (CETVs)

A CETV is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement that the individual has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of them buying additional pension benefits at their own cost.

CETV figures are calculated using the guidance on discount rates for calculating unfunded public service pension contribution rates that was extant at 31 March 2023. HM Treasury published updated guidance on 27 April 2023. This guidance will be used in the calculation of 2023 to 2024 CETV figures.

Real increase in CETV

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Consultancy

Consultancy is expert or professional advice on options for change. It does not include ongoing contracted-out services, or legal advice.

Rebecca Hilsenrath
Accounting Officer
Ombudsman and Chair
8 July 2024



Parliamentary Accountability and Audit Report 2023-24

Statement of Outturn against Parliamentary Supply

In addition to the primary statements prepared under IFRS, the Government Financial Reporting Manual (FReM) requires PHSO to prepare a statement of Outturn against Parliamentary Supply (SOPS) and supporting notes.

The SOPS and related notes are subject to audit, as detailed in the Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament.

The SOPS is a key accountability statement that shows, in detail, how an entity has spent against their Supply Estimate. Supply is the monetary provision (for resource and capital purposes) and cash (drawn primarily from the Consolidated Fund), that Parliament gives statutory authority for entities to utilise. The Estimate details Supply and is voted on by Parliament at the start of the financial year.

Should an entity exceed the limits set by their Supply Estimate, called control limits, their accounts will receive a qualified opinion.

The format of the SOPS mirrors the Supply Estimates, published on www.gov.uk, to enable comparability between what Parliament approves and the final outturn.

The SOPS contain a summary table, detailing performance against the control limits that Parliament have voted on, cash spent (budgets are compiled on an accruals basis and so outturn does not in all respects exactly align to cash spent) and administration.

The supporting notes detail the following: Outturn by Estimate line, providing a more detailed breakdown (note 1); a reconciliation of outturn to net operating expenditure in the SOCNE, to tie the SOPS to the financial statements (note 2) and a reconciliation of outturn to net cash requirement (note 3).

The SOPS and Estimates are compiled against the budgeting framework, which is similar to, but different to, IFRS. An understanding of the budgeting framework and an explanation of key terms is provided on page 53, in the financial review section of the performance report. Further information on the Public Spending Framework and the reasons why budgeting rules are different to IFRS can also be found in chapter 1 of the Consolidated Budgeting Guidance, available on www.gov.uk.

The SOPS provides a detailed view of financial performance, in a form that is voted on and recognized by Parliament. The financial review, in the Performance Report, provides a summarised discussion of outturn against estimate and functions as an introduction to the SOPS disclosures.

Summary of Resource and Capital Outturn 2023-24

		2023-24								2022-23
		Estimate			Outturn					
								Voted outturn compared to Estimate: saving/ (excess) £000	Total outturn compared to Estimate: saving/ (excess) £000	
SoPS Note		Voted £000	Non- Voted £000	Total £000	Voted £000	Non- Voted £000	Total £000			Outturn £000
Departmental Expenditure Limit										
- Resource	1.1	41,922	212	42,134	41,237	193	41,430	685	704	40,532
- Capital	1.2	11,748	-	11,748	2,031	-	2,031	9,717	9,717	1,858
Annually Managed Expenditure										
- Resource	1.1	783	-	783	602	-	602	181	181	11
- Capital	1.2	380	-	380	32	-	32	348	348	66
Total		54,833	212	55,045	43,902	193	44,095	10,931	10,950	42,467
Total Resource		42,705	212	42,917	41,839	193	42,032	866	885	40,543
Total Capital		12,128	-	12,128	2,063	-	2,063	10,065	10,065	1,924
Total		54,833	212	55,045	43,902	193	44,095	10,931	10,950	42,467

Figures in the areas outlined in bold are voted totals subject to Parliamentary control. Refer to the Supply Estimates guidance manual, available on gov.uk, for details on the control limits voted by Parliament.

The underspend in the Capital Departmental Expenditure Limit relates to IFRS 16 costs not required.

Net Cash Requirement 2023-24

		2023-24			2022-23
	SoPS Note	Estimate £000	Outturn £000	Outturn compared to Estimate: saving/ (excess) £000	Outturn £000
Net Cash Requirement	3	42,933	42,287	646	39,187

For Estimates purposes, all PHSO income and expenditure is classified as Programme. The Statement of Parliamentary Supply does not therefore report against an Administration Cost Limit.

Notes to the Statement of Outturn against Parliamentary Supply (SoPS)

SoPS 1 Outturn detail, by Estimate line

SoPS 1.1 Analysis of resource outturn by Estimate line

	2023-24					2022-23
	Outturn			Estimate	Net Total compared with Estimate	Outturn total
	Gross £000	Income £000	Net £000	Net total £000		
Spending in Departmental Expenditure Limits (DEL)						
Voted expenditure	41,298	(61)	41,237	41,922	685	40,337
<i>Of which</i>						
A Administration	41,298	(61)	41,237	41,922	685	40,337
Non-voted expenditure	193	-	193	212	19	195
<i>Of which</i>						
B Ombudsman's salary and social security	193	-	193	212	19	195
Total	41,491	(61)	41,430	42,134	704	40,532
Spending in Resource Annually Managed Expenditure (RAME)						
Voted expenditure	602	-	602	783	181	11
<i>Of which</i>						
C Creation of Provisions	602	-	602	783	181	11
Total	42,093	(61)	42,032	42,917	885	40,543

There were no virements. Virements are the reallocation of provision in the Estimates that do not require Parliamentary authority (because Parliament does not vote to that level of detail and delegates to HM Treasury). Further information on virements is provided in the Supply Estimates Manual, available on gov.uk. The term 'Administration' above does not refer to our expenditure limit, which is classified as 'Programme'.

SoPS 1.2. Analysis of capital outturn by Estimate line

	2023-24					2022-23
	Outturn			Estimate	Net Total compared with Estimate	Outturn total £000
	Gross £000	Income £000	Net £000	Net total £000		
Spending in Capital Departmental Expenditure Limit (CDEL)						
Voted expenditure	2,031	-	2,031	11,748	9,717	1,858
<i>Of which</i>						
Administration Spending in Capital Annually Managed Expenditure (CAME)	2,031	-	2,031	11,748	9,717	1,858
Voted Expenditure	32	-	32	380	348	66
<i>Of which</i>						
Creation of Provisions	32	-	32	380	348	66
Total	2,063	-	2,063	12,128	10,065	1,924

SoPS 2. Reconciliation of Net Resource Outturn to Net Operating Expenditure

The Resource Outturn in the Statement of Parliamentary Supply is the same as the net operating expenditure in the Statement of Comprehensive Net Expenditure.

SoPS 3. Reconciliation of Net Resource Outturn to Net Cash Requirement

	Note	Estimate £000	Outturn £000	Net total outturn compared with Estimate: savings/ (excess) £000
Resource Outturn	SoPS1.1	42,917	42,032	885
Capital Outturn	SoPS1.2	12,128	2,063	10,065
Accruals to cash adjustments:				
<i>Adjustment to remove non-cash items:</i>				
Depreciation, Amortisation and Impairments	5,6,7	(3,150)	(2,565)	(585)
New provisions and adjustments to previous provisions	12	(1,163)	(654)	(509)
Other non-cash items	3,7	-	(66)	66
<i>Adjustments to reflect movements in working balances</i>				
Increase/(decrease) in receivables	9	-	(106)	106
(Increase)/decrease in payables	10,11	(7,587)	870	(8,457)
Repayments of lease liabilities	11	-	886	(886)
Use of provisions	12	-	20	(20)
		43,145	42,480	665
Removal of non-voted budget items:				
Consolidated Fund	SoPS1.1	(212)	(193)	(19)
Net Cash Requirement		42,933	42,287	646

As noted in the introduction to the SOPS above, outturn and the Estimates are compiled against the budgeting framework, not on a cash basis. Therefore, this reconciliation bridges the resource and capital outturn to the net cash requirement.

Parliamentary Accountability Disclosures (audited)

Regularity

There were no irregularities during 2023-24 (nil 2022-23).

Losses and special payments

	2023-24		2022-23	
	No. of cases	£000	No. of cases	£000
Fruitless payments	1	4	-	-
Administrative write offs	15	2	37	265
Special Payments	32	16	16	32
Total	48	22	53	297

There was one fruitless payment incurred in 2023-24 for £4k (2022-23: Nil) for software licences which were not cancelled timeously.

Administrative write offs relate mainly to disposals of assets that could not be used for any other purpose and were not cost effective to resell. All these assets were fully depreciated so there was no loss incurred. There was one debtor written off as irrecoverable for £2k.

Special payments consist of compensation payments to people who complained to us about poor service they received from the PHSO. As described on page 48, in 2023-24 we made 32 compensation payments which came to a total of £16k.

Fees and charges

PHSO has not received any income related to fees and charges in 2023-24 (2022-23: nil).

Remote contingent liabilities

There are no remote contingent liabilities as at 31 March 2024 (nil 31 March 2023).

There were no contingent assets or liabilities as at 31 March 2024 (nil 31 March 2023).

No guarantees, indemnities or letters of comfort have been issued by PHSO.



8 July 2024

Signed

Dated

Rebecca Hilsenrath

Ombudsman and Accounting Officer

Independent Auditor's report to the Board of the Parliamentary and Health Service Ombudsman and the Houses of Parliament

Opinion on financial statements

I have audited the financial statements of the Parliamentary and Health Service Ombudsman for the year ended 31 March 2024.

The financial statements comprise the Parliamentary and Health Service Ombudsman's

- Statement of Financial Position as at 31 March 2024;
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK adopted international accounting standards.

In my opinion, the financial statements:

- give a true and fair view of the state of the Parliamentary and Health Service Ombudsman's affairs as at 31 March 2024 and its net expenditure for the year then ended; and
- have been properly prepared in accordance with the International Standards as interpreted by HM Treasury's Government Financial Reporting Manual.

Opinion on regularity

In my opinion, in all material respects:

- the Statement of Outturn against Parliamentary Supply properly presents the outturn against voted Parliamentary control totals for the year ended 31 March 2024 and shows that those totals have not been exceeded; and
- the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2022). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my report.

Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2019. I am independent of the Parliamentary and Health Service Ombudsman in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Parliamentary and Health Service Ombudsman's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Parliamentary and Health Service Ombudsman's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this report.

The going concern basis of accounting for the Parliamentary and Health Service Ombudsman is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which requires entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the services which they provide will continue into the future.

Other Information

The other information comprises information included in the Accountability and Performance Reports, but does not include the financial statements and my auditor's report thereon. The Accounting Officer is responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with HM Treasury's Government Financial Reporting Manual.

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with HM Treasury's Government Financial Reporting Manual; and
- the information given in the Accountability and Performance Reports for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of the Parliamentary and Health Services Ombudsman and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Reports.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept by the Parliamentary and Health Services Ombudsman or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or
- the financial statements and the parts of the Accountability Report subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration and Staff Report to be audited is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within the Parliamentary and Health Services Ombudsman from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- preparing financial statements which give a true and fair view in accordance with International Accounting Standards as interpreted by HM Treasury's Government Financial Reporting Manual;
- preparing the annual report, which includes the Remuneration and Staff Report, in accordance with HM Treasury's Government Financial Reporting Manual; and
- assessing the Parliamentary and Health Services Ombudsman's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by the Parliamentary and Health Services Ombudsman will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit and express an opinion on the financial statements in accordance with the applicable law and International Standards on Auditing (UK) (ISAs (UK)).

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was considered capable of detecting non compliance with laws and regulations including fraud

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non compliance with laws and regulations, including fraud is detailed below.

Identifying and assessing potential risks related to non compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non compliance with laws and regulations, including fraud, I:

- considered the nature of the sector, control environment and operational performance including the design of the Parliamentary and Health Services Ombudsman's accounting policies.
- inquired of management, the Parliamentary and Health Services Ombudsman's head of internal audit] and those charged with governance, including obtaining and reviewing supporting documentation relating to the Parliamentary and Health Services Ombudsman's policies and procedures on:
 - identifying, evaluating and complying with laws and regulations;
 - detecting and responding to the risks of fraud; and
 - the internal controls established to mitigate risks related to fraud or non compliance with laws and regulations including the Parliamentary and Health Services Ombudsman's controls relating to the Parliamentary and Health Services Ombudsman's compliance with the Parliamentary Commissioners Act 1967, the Health Services Commissioners Act 1993, and Managing Public Money;
- inquired of management, the Parliamentary and Health Services Ombudsman's head of internal audit and those charged with governance whether:
 - they were aware of any instances of non compliance with laws and regulations;
 - they had knowledge of any actual, suspected, or alleged fraud;
- discussed with the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the Parliamentary and Health Services Ombudsman for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions, and bias in management estimates. In common with all audits under ISAs (UK), I am required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of the Parliamentary and Health Services Ombudsman's framework of authority and other legal and regulatory frameworks in which the Parliamentary and Health Services Ombudsman operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Parliamentary and Health Services Ombudsman. The key laws and regulations I considered in this context included the Parliamentary and Health Service Ombudsman's compliance with the Parliamentary Commissioners Act 1967, the Health Services Commissioners Act 1993, Managing Public Money, Supply and Appropriate (Main Estimates) Act 2023, employment law and tax Legislation.

Audit response to identified risk

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management, the Audit and Risk Committee and in house legal counsel concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board and internal audit reports; and
- I addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements on estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members and remained alert to any indications of fraud or non compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of my report.

Other auditor's responsibilities

I am required to obtain appropriate evidence sufficient to give reasonable assurance that the Statement of Outturn against Parliamentary Supply properly presents the outturn against voted Parliamentary control totals and that those totals have not been exceeded. The voted Parliamentary control totals are Departmental Expenditure Limits (Resource and Capital), Annually Managed Expenditure (Resource and Capital), Non Budget (Resource) and Net Cash Requirement.

I am required to obtain sufficient appropriate audit evidence to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control I identify during my audit.

Gareth Davies

Comptroller and Auditor General

National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

15 July 2024



Financial statements

Statement of Comprehensive Net Expenditure for the year ended 31 March 2024

		2023-24	2022-23
	Note	£000	£000
Operating income	4	61	42
Operating expenditure			
Staff costs	3	33,752	31,159
Purchase of goods and services	3	5,084	6,523
Depreciation, amortisation, impairment charges & adjustments	3	2,565	2,809
Provision expense	12	622	38
Total operating expenditure		42,023	40,529
Net operating expenditure		41,962	40,487
Finance costs	11	70	56
Net Expenditure for the year		42,032	40,543
Other comprehensive expenditure		-	-
Comprehensive net expenditure		42,032	40,543

The notes on pages 120 to 142 form part of these accounts.

Statement of Financial Position as at 31 March 2024

		31 March 2024	31 March 2023
	Note	£000	£000
Non-current assets			
Property, plant and equipment	5	2,469	2,033
Intangible assets	6	2,618	2,922
Right of use assets	7	6,353	6,987
Total non-current assets		11,440	11,942
Current assets			
Trade and other receivables	9	777	883
Cash at bank	8	135	189
Total current assets		912	1,072
Total assets		12,352	13,014
Current liabilities			
Trade and other payables	10	(2,412)	(3,602)
Provisions	12	(701)	(219)
Lease liability	11	(949)	(760)
Total current liabilities		(4,062)	(4,581)
Total assets less current liabilities		8,290	8,433
Non-current liabilities			
Provisions	12	(858)	(706)
Lease liability	11	(5,906)	(6,715)
Total non-current liabilities		(6,764)	(7,421)
Total assets less total liabilities		1,526	1,012
Taxpayers' equity and other reserves			
General Fund		1,526	1,012
Total equity		1,526	1,012

The notes on pages 120 to 142 form part of these accounts.



Signed

8 July 2024

Dated

Rebecca Hilsenrath
Ombudsman and Accounting Officer

Statement of Cash Flows for the year ended 31 March 2024

		2023-24	2022-23
	Note	£000	£000
Cash flows from operating activities			
Net expenditure for the year	2	(42,032)	(40,543)
Adjustments for non-cash transactions	3,7,12	3,253	2,909
Decrease/(Increase) in trade and other receivables	9	106	103
Increase/(decrease) in trade payables	10	(1,190)	383
Movements in payables/receivables relating to items not passing through the Statement of Comprehensive Net Expenditure	7,10	54	451
Use of provisions	12	(20)	(27)
Net cash outflow from operating activities		(39,829)	(36,724)
Cash flows from investing activities			
Purchase of property, plant and equipment	5	(1,154)	(863)
Purchase of intangible assets	6	(681)	(995)
Net cash outflow from investing activities		(1,835)	(1,858)
Cash flows from financing activities			
From the Consolidated Fund (Supply): current year		42,233	39,241
From the Consolidated Fund (Non-Supply)	3	193	195
Capital element in respect of lease payments	11	(816)	(800)
Net cash flows from financing activities		41,610	38,636
Net increase/(decrease) in cash in the period before adjustment for receipts and payments to the Consolidated Fund		(54)	54
Payments of amounts due to the Consolidated Fund		-	-
Net increase/(decrease) in cash in the period after adjustment for receipts and payments to the Consolidated Fund		(54)	54
Cash at the beginning of the period	8	189	135
Cash at the end of the period	8	135	189

The notes on pages 120 to 142 form part of these accounts.

Statement of Changes in Taxpayers' Equity for the year ended 31 March 2024

	Note	Taxpayers' Equity £000
Balance at 31 March 2022		2,111
Net Parliamentary Funding – drawn down		39,241
Net Parliamentary Funding – deemed		135
Consolidated Fund Standing Services	3	195
Supply Payable Adjustment	10	(189)
Comprehensive net expenditure for the year	2	(40,543)
Auditor's remuneration	3	62
Balance at 31 March 2023		1,012
Net Parliamentary Funding – drawn down		42,233
Net Parliamentary Funding – deemed		189
Consolidated Fund Standing Services	3	193
Supply Payable Adjustment	10	(135)
Comprehensive net expenditure for the year	2	(42,032)
Auditor's remuneration	3	66
Balance at 31 March 2024		1,526

Deemed funding and supply payable adjustment refer to opening and closing balances due to the Consolidated Fund respectively and match opening and closing cash balances held.

The notes on pages 120 to 142 form part of these accounts.

Notes to the Resource Accounts

1. Statement of accounting policies

These financial statements have been prepared in accordance with International Financial Reporting Standards as adapted and interpreted by the Government Financial Reporting Manual 2023-24 issued by HM Treasury (FrEM), for use within Central Government. Where the FrEM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to our particular circumstances for the purpose of giving a true and fair view has been selected. The particular policies adopted by PHSO are described below.

The accounting policies have been applied consistently to all periods presented in these financial statements.

1.1 Financing

PHSO is primarily resourced by funds approved by the House of Commons through the annual Supply & Appropriation Act. Resources are drawn down each month to meet expenditure requirements.

1.2 Income

Revenue Recognition

Revenue has been measured at the fair value of the consideration received or receivable. PHSO recognises income when the amount of revenue and related cost can be reliably measured, and it is probable that the collectability of the related receivable is reasonably assured.

IFRS 15 has been applied, and income is recognised when PHSO has fulfilled the obligations which give rise to the income.

Operating income relates directly to the operating activities which are within the PHSO Ambit.

The level of income that may be used in support of our activities is set out in the parliamentary estimates. Income earned in excess of the approved level, or income of a type for which we do not have parliamentary approval, cannot be used in support of PHSO's activities and is required to be paid over to the Consolidated Fund as excess income.

1.3 Property, plant and equipment

Expenditure on property, plant and equipment of £3,000 or more is capitalised. Similar assets costing less than £3,000 may be capitalised if they are acquired at broadly the same time, providing they are capital in nature and there are enough assets to be worth more than £3,000 in total.

On initial recognition, assets are measured at cost including any costs, such as installation costs, directly attributable to bringing them into working condition. No revaluation has been carried out as the difference would be immaterial. All property, plant and equipment is reviewed annually for impairment and is carried at cost for a proxy for fair value.

Assets are disposed of once they are confirmed to be no longer in use or the asset is confirmed to no longer exist. The method of disposal will be dependent on the nature of the asset, taking into account security and cost factors. Any residual net book value for the asset is charged to the Statement of Comprehensive Net Expenditure.

1.4 Intangible assets

Expenditure on intangible assets, which are software licences and the associated costs of implementation, is capitalised when the cost is £3,000 or more. Intangible assets costing less than £3,000 may be capitalised, providing they are capital in nature and there are enough assets and associated costs to be worth more than £3,000 in total.

PHSO capitalises the labour costs for staff and contractors who were working on capital projects on an ongoing basis for more than 10% of their time.

Intangible assets are reviewed annually for impairment and are carried at cost as a proxy for fair value.

1.5 Depreciation and Amortisation

Property, plant and equipment are depreciated at rates calculated to write assets down to their estimated residual value on a straight-line basis over their estimated useful lives. Software licences are amortised over the shorter of the term of the licence and the useful economic life. Asset lives are normally in the following ranges:

- Furniture and fittings – five years
- IT software and equipment – three to ten years
- Office machinery – five years
- Leasehold improvements – the lesser of ten years or the lease term.

Where assets are contained in right of use assets, the life of the asset reflects the length of the lease.

1.6 Trade Payables

Trade payables are obligations to pay for goods or services that have been acquired from suppliers in the ordinary course of business. Trade payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. A threshold of £100 applies for accruals.

1.7 Value added tax

PHSO is not registered for value added tax (VAT) and these accounts are prepared on a VAT-inclusive basis.

1.8 Prepayments

Prepayments represent cash paid by the Organisation prior to the reporting date in consideration for goods or services received after the reporting date.

1.9 Right of use assets and lease liabilities

PHSO applies IFRS 16, as interpreted and adapted in the FReM.

For any new contracts, PHSO considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition PHSO assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to PHSO.
- PHSO has the right to obtain substantially all the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract.
- PHSO has the right to direct the use of the identified asset throughout the period of use. PHSO assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

At lease commencement date, PHSO recognises right-of-use asset and lease liability excluding VAT on the Statement of Financial Position. Right-of-use assets are measured at cost, which is made up of the initial measurement of the lease liability, any lease payments made in advance of the lease commencement date (net of any incentives received) up to the end of or extension of lease, whichever is later, or up to termination of lease if any.

PHSO depreciates the right-of-use assets on a straight-line basis at rates estimated to write off their book values from the month in which an asset is brought into service, to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. PHSO also assesses the right-of-use asset for impairment when such indicators exist.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. The carrying amount of the right-of-use asset is adjusted by the same amount as the adjustment to the carrying value of the lease liability. There is no immediate gain or loss, but the revised cash flows will impact the statement of comprehensive net expenditure over the remaining term of the lease. Exceptions to this principle are when a reduction in the carrying value of the lease liability is greater than the carrying value of the related right-of-use asset at the point of remeasurement, in which case the asset is reduced to nil and the excess is recognised in the statement of comprehensive net expenditure, and in many cases where a lease modification decreases the scope of an existing lease. Revaluation of right-of-use assets, if any, will be recognised in the revaluation reserve.

PHSO measures the lease liability at the present value of the lease payments unpaid at the commencement date, discounted using the HM Treasury rate of 4.72% (2023: 3.51%).

Lease payments included in the measurement of the lease liability are made up of fixed payments, and if any, the variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

PHSO has elected to account for short-term leases of less than 12 months and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expenditure in the statement of comprehensive net expenditure on a straight-line basis over the lease term.

Liability for leases not yet commenced to which PHSO is committed to, is recorded on the Statement of Financial Position only from the date of a signed lease agreement.

In Manchester, PHSO leases four floors of the Citygate building. The lease period is for 15 years from 1 October 2017 to 30 September 2032, with break clauses at 5 and 10 years. In London, PHSO leases part of the 21st floor at Millbank Tower. The lease was renegotiated during 2023-24 and the new lease period is from 25 March 2024 to 24 September 2025.

1.10 Accounting estimates

Significant accounting estimates have been made in relation to provisions. No other significant accounting estimates or judgments have been made in preparing these accounts.

1.11 Provisions

Dilapidations have been reviewed and provision made based on estimated costs provided by external professional property advisors in 2020-21 and 2022-23 and uplifted for inflation in line with CPIH. The increase in the dilapidations provision has been capitalised according to IFRS 16 (Note 7).

Provisions in respect of Legal Costs have been included and are the best estimates of the potential liabilities. These costs have been accounted for in the statement of comprehensive net expenditure.

In accordance with IAS 37, provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that the obligation will be settled, and a reliable estimate can be made of the amount of the obligation.

1.12 Going concern

The Parliamentary Commissioner for Administration, otherwise known as the Parliamentary Ombudsman, is an independent Office-holder appointed by the Crown under the Parliamentary Commissioner Act 1967. The Parliamentary Ombudsman is also currently appointed as the Health Service Commissioner for England, an independent Office-holder appointed by the Crown under the Health Service Commissioners Act 1993. The Office of the Parliamentary Commissioner for Administration and the Health Service Commissioner for England exists to support the work of the Ombudsman and, in her opinion, as long as the provisions of the Parliamentary Commissioner Act 1967 and the Health Service Commissioners Act 1993 apply, the services of PHSO will continue in operation.

The funding estimate for 2024-25 for the Parliamentary and Health Service Ombudsman has been approved by Parliament.

We are satisfied that these matters do not give rise to a material uncertainty around the going concern status of PHSO. The accounts have therefore been prepared on a going concern basis.

1.13 Impending application of newly issued Accounting Standards not yet effective

IFRS 17- Insurance contracts: This standard replaces IFRS 4 and will be adopted and interpreted in the FReM on 1 April 2025. The standard applies to issued insurance contracts and the reporting of these in the financial statements to provide comparability and increase transparency. It is expected there will be no impact on the 2025-26 accounts as PHSO does not hold any such arrangements.

No new accounting standards or revisions to existing standards have been adopted early by PHSO in 2023-24.

2. Statement of Operating Costs by Operating Segment

For internal reporting purposes, resource costs are broken down on a 'directorate' basis, and further classified by expenditure type.

The three main areas of activity at PHSO are set out below:

- **Operations, legal and clinical:** responsible for the delivery of casework and customer service and all legal and clinical advice.
- **Strategy:** responsible for engagement, promotion, evaluation and policy supporting our objectives.
- **Corporate Services:** responsible for the support services which support delivery of our casework and all our other functions.

Staff costs (including on-costs such as pensions and National Insurance), general budgets (including travel and subsistence expenses), the direct costs of our casework, and related income are allocated for internal management reporting purposes as follows:

	2023-24			
	Operations, Legal and Clinical £000	Strategy £000	Corporate Services £000	Total £000
Staff costs	22,181	3,008	8,563	33,752
Other employee expenditure	54	58	139	251
External casework costs	438	14	-	452
Other professional advice	291	5	245	541
Research, media and publications	11	252	5	268
Accommodation costs	-	-	2,370	2,370
IT & telecommunications	-	170	3,049	3,219
Recruitment	-	-	180	180
External learning and staff development	-	-	87	87
Other central overheads	-	-	233	233
Provisions	-	-	602	602
Early departure costs	17	24	27	68
Finance costs	-	-	70	70
Income	-	-	(61)	(61)
Net operating expenditure	22,992	3,531	15,509	42,032

2. Statement of Operating Costs by Operating Segment (continued)

	2022-23			Total £000
	Operations, Legal and Clinical £000	Strategy £000 (Restated)	Corporate Services £000 (Restated)	
Staff costs	21,067	2,749	7,343	31,159
Other employee expenditure	71	89	153	313
External casework costs	601	10	-	611
Other professional advice	107	69	928	1,104
Research, media and publications	6	329	14	349
Accommodation costs	-	-	2,117	2,117
IT & telecommunications	-	19	2,922	2,941
Recruitment	-	-	786	786
External learning and staff development	-	-	593	593
Other central overheads	-	-	531	531
Provisions	-	-	11	11
Early departure costs	7	-	6	13
Finance costs	-	-	56	56
Income	-	-	(41)	(41)
Net operating expenditure	21,859	3,265	15,419	40,543

The majority of central overhead costs, such as accommodation costs, telephones and staff learning and development, are managed within Corporate Services. PHSO does not reallocate these costs to the other directorates. The Data, Security and Privacy department moved to the Corporate Services Directorate, and as such the comparatives have been restated.

3. Operating expenditure

		2023-24	2022-23
	Note	£000	£000
Cash items			
Wages and salaries		24,776	23,628
Less: capitalised staff costs		(677)	(927)
Social security costs		2,998	2,528
Other pension costs		6,462	5,735
Ombudsman's salary and social security		193	195
Staff costs		33,752	31,159
Early departure costs		68	13
Information and communications technology		1,749	1,587
Goods & services (including Finance Costs)		1,997	3,904
Accommodation costs		1,124	868
Accommodation operating leases		150	145
Purchases of goods and services		5,088	6,517
Total cash items		38,840	37,676
Non-cash items			
Auditor's remuneration		66	62
		66	62
Depreciation and amortisation of fixed assets:			
Property, plant and equipment	5	718	756
Intangible assets	6	985	939
Right of use assets	7	862	849
Loss on disposal	5,6	-	265
Depreciation impairment charges and adjustments		2,565	2,809
Provisions:			
Provided in year	12	662	99
Provisions not required written back	12	(40)	(61)
Provision expense		622	38
Total non-cash items		3,253	2,909
Total		42,093	40,585

Auditors have received no remuneration for non-audit work.

Staff related costs

	2023-24			2022-23	
	Permanently employed staff £000	Fixed term contracts £000	Agency staff £000	Total £000	Total £000
Wages and salaries	24,153	468	155	24,776	23,628
Social security costs	2,949	49	-	2,998	2,528
Other pension costs	6,350	112	-	6,462	5,735
Less capitalised salary costs	(677)	-	-	(677)	(927)
Sub total	32,775	629	155	33,559	30,964
Ombudsman's salary and social security	193	-	-	193	195
Total gross costs	32,968	629	155	33,752	31,159

The Principal Civil Service Pension Scheme (PCSPS) and the Civil Servant and Other Pension Scheme (CSOPS) – known as “Alpha” – are unfunded multi-employer defined benefit schemes, but PHSO is unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the PCSPS as at 31 March 2020.

You can find details in the resource accounts of the Cabinet Office:
Civil Superannuation www.civilservicepensionscheme.org.uk.

For 2023-24, contributions of £7.718m were payable to the Principal Civil Service Pension Scheme (PCSPS) (2022-23: £6.873m) including both employee and employer's contributions at one of four rates in the range 26.6% to 30.3% of pensionable earnings, based on salary bands.

The Scheme Actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2023-24 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

Employees that do not enter the Civil Service Pension Scheme can opt to open a partnership pension account or a stakeholder pension with an employer contribution. Employer's contributions of £80k (2022-23: £56k) were paid to the provider appointed by the scheme manager (Legal & General). Employer contributions are age-related and ranged from 8% to 17.75%. Employers also match employee contributions up to 3% of pensionable earnings and 0.5% of pensionable pay to cover the cost of the future provision of lump sum benefits on death in service or ill health retirement of these employees.

Contributions due to the partnership pension providers at the balance sheet date were £11k (2022-23: £8k).

4. Income

		2023-24	2022-23
	Note	£000	£000
Recoveries in respect of legal fees		-	1
Recoveries in respect of office space		61	41
Total		61	42

PHSO rents out desks and meeting room availability to a third party. This does not constitute a sub-let of the rental agreement.

5. Property, plant and equipment

2023-24	Furniture and fittings £000	Information technology £000	Office machinery £000	Leasehold improvements £000	Assets under construction £000	Total £000
Cost or valuation						
At 1 April 2023	796	1,431	64	1,056	618	3,965
Additions	4	10	7	5	1,128	1,154
Disposals	-	(294)	-	-	-	(294)
Transfers	86	470	-	-	(556)	-
At 31 March 2024	886	1,617	71	1,061	1,190	4,825
Depreciation						
At 1 April 2023	541	858	44	489	-	1,932
Charged in year	114	486	12	106	-	718
Disposals	-	(294)	-	-	-	(294)
Transfers	-	-	-	-	-	-
At 31 March 2024	655	1,050	56	595	-	2,356
Carrying amount as at 31 March 2024	231	567	15	466	1,190	2,469
Carrying amount as at 31 March 2023	255	573	20	567	618	2,033

All plant and equipment held at 31 March 2024 is owned. PHSO's leased buildings are accounted for as right of use assets under IFRS 16 (see note 7). There are no assets held under PFI contracts. PHSO holds no third party assets.

5. Property, plant and equipment (continued)

2022-23	Furniture and fittings £000	Information technology £000	Office machinery £000	Leasehold improvements £000	Assets under construction £000	Total £000
Cost or valuation						
At 1 April 2022	727	1,946	72	1,056	(2)	3,799
Additions	12	-	-	-	851	863
Disposals	(2)	(687)	(8)	-	-	(697)
Transfers	59	172	-	-	(231)	-
At 31 March 2023	796	1,431	64	1,056	618	3,965
Depreciation						
At 1 April 2022	406	876	39	383	-	1,704
Charged in year	137	500	13	106	-	756
Disposals	(2)	(518)	(8)	-	-	(528)
Transfers	-	-	-	-	-	-
At 31 March 2023	541	858	44	489	-	1,932
Carrying amount as at 31 March 2023	255	573	20	567	618	2,033
Carrying amount as at 31 March 2022	321	1,070	33	673	(2)	2,095

6. Intangible assets

Intangible assets are purchased software licences and the associated implementation costs comprising mostly of staffing costs for ICT projects currently being implemented.

2023-24	Software £000	Assets under construction £000	Total £000
Cost or valuation			
At 1 April 2023	4,855	894	5,749
Additions	-	681	681
Transfers	894	(894)	-
Disposals	(1,218)	-	(1,218)
At 31 March 2024	4,531	681	5,212
Amortisation			
At 1 April 2023	2,827	-	2,827
Charged in year	985	-	985
Disposals	(1,218)	-	(1,218)
At 31 March 2024	2,594	-	2,594
Net book value:			
Carrying amount as at 31 March 2024	1,937	681	2,618
Carrying amount as at 31 March 2023	2,028	894	2,922

All intangible assets held at 31 March 2024 are owned.

6. Intangible assets (continued)

2022-23	Software £000	Assets under construction £000	Total £000
Cost or valuation			
At 1 April 2022	4,042	1,437	5,479
Additions	-	995	995
Transfers	1,538	(1,538)	
Disposals	(725)	-	(725)
At 31 March 2023	4,855	894	5,749
Amortisation			
At 1 April 2022	2,517	-	2,517
Charged in year	939	-	939
Disposals	(629)	-	(629)
At 31 March 2023	2,827	-	2,827
Net book value:			
Carrying amount as at 31 March 2023	2,028	894	2,922

7. Right of use assets

Right-of-use assets represent the right to direct the use of an underlying asset arising as a result of a lease. PHSO does not own the underlying asset but recognises the value of the right of use in accordance with IFRS 16.

2023-24	Land and buildings £000	Total £000
Cost or valuation		
At 1 April 2023	7,836	7,836
Additions	228	228
At 31 March 2024	8,064	8,064
Depreciation		
At 1 April 2023	849	849
Charged in year	862	862
Transfers	-	-
At 31 March 2024	1,711	1,711
Carrying amount as at 31 March 2024	6,353	6,353
Carrying amount as at 31 March 2023	6,987	6,987

7. Right of use assets (continued)

2022-23	Land and buildings £000	Total £000
Cost or valuation		
At 1 April 2022	-	-
Initial adoption of IFRS 16 on 1 April 2022	7,770	7,770
Additions	66	66
Transfers	-	-
At 31 March 2023	7,836	7,836
Depreciation		
At 1 April 2022	-	-
Charged in year	849	849
Transfers	-	-
At 31 March 2023	849	849
Carrying amount as at 31 March 2023	6,987	6,987
Carrying amount as at 31 March 2022	-	-

8. Cash

	31 March 2024	31 March 2023
	£000	£000
Balance at 1 April	189	135
Net change in cash balances	(54)	54
Total cash balances at 31 March	135	189

PHSO only holds cash balances with the Government Banking Service.

9. Trade and other receivables

	31 March 2024	31 March 2023
	£000	£000
Amounts falling due within one year:		
Trade receivables within one year	62	82
Credit loss provision	(1)	(2)
Deposits and advances	68	4
Prepayments and accrued income	648	799
Total	777	883

10. Trade and other payables

	31 March 2024	31 March 2023
	£000	£000
Amounts falling due within one year		
Trade payables	22	709
Taxation and social security	736	687
Other payables	647	612
Accruals and deferred income	872	1,405
Amounts issued from the Consolidated Fund for supply but not spent at year end	135	189
Total falling due within one year	2,412	3,602

11. Leases

The lease liability amounts recognised in the statement of financial position under trade and other payables in the statement of financial position are as follows:

	31 March 2024
	£000
Balance at 1 April 2022	-
Lease liability raised	8,275
Lease payments made during the year	(856)
Interest charge for the year	56
Balance as at 31 March 2023	7,475
Additions during the year	196
Lease payments made during the year	(886)
Interest charge for the year	70
Balance as at 31 March 2024	6,855

	31 March 2024
	£000
Amounts falling due within one year:	
Lease liability	949
Amounts falling due within one year:	
Lease liability	5,906
Total	6,855

The amounts recognised in the statement of comprehensive net expenditure are as follows:

	31 March 2024	31 March 2023
	£000	£000
Interest on lease liabilities under finance costs	70	56
VAT on lease payments under accommodation costs	150	141
Expenses relating to leases of low value assets	23	18

The following table sets out the maturity analysis of lease payables, showing the undiscounted lease payments to be paid after the reporting date.

	31 March 2024	31 March 2023
	£000	£000
Not later than one year	1,064	854
Later than one year and not later than five years	3,909	3,614
Later than five years	3,411	4,065
Total	8,384	8,533
Less VAT and interest element	(1,529)	(1,058)
Present value of obligations	6,855	7,475

12. Provisions for liabilities and charges

	2023-24					31 March 2023
	Early Departure £000	Legal claims £000	Dilapidations £000	Non-consolidated pay award £000	Total £000	Total £000
Balance at 1 April	-	99	826	-	925	848
Provided in the year	233*	41*	32**	388*	694	165
Provisions not required written back	-	(40)*	-	-	(40)	(61)
Provisions utilised in the year	-	(20)	-	-	(20)	(27)
Balance at 31 March	233	80	858	388	1,559	925

* The amount shown in the SoCNE comprises the movement in year of £622k being made up of the sums marked with an asterisk above.

** The amount shown comprises the capitalisation of the current year dilapidations provision per IFRS 16, and is disclosed under Note 7.

We provide for legal or constructive obligations that are of uncertain timing or amount at the Statement of Financial Position date on the basis of the best estimate of the expenditure required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using the HM Treasury discount rate. This has not been applied as the impact is not material.

12.1 Analysis of expected timing of liabilities and charges

	2023-24				2022-23	
	Early Departure £000	Legal claims £000	Dilapidations £000	Non-consolidated pay award £000	Total £000	Total £000
Not later than one year	233	80	-	388	701	219
Later than one year and not later than five years	-	-	124	-	124	-
Later than five years	-	-	734	-	734	706
Balance at 31 March	233	80	858	388	1,559	925

Dilapidations

PHSO occupy leased office accommodation in London and Manchester. The leases contain provisions which require the reinstatement of the accommodation to its original condition upon departure. In the event that the properties are not restored, dilapidation payments become payable to the Landlord. The dilapidation provisions are based on estimates provided by surveyors.

Non-consolidated pay award

PHSO has committed to paying a non-consolidated pay award in 2024/25 to all staff employed at the time of payment.

13. Commitments under leases

13.1 Operating leases

The total cost of operating leases is expensed in equal instalments over the life of the lease.

Total future minimum lease payments under operating leases are given in the table below analysed according to the period in which the lease expires. These Operating leases represent leases that fall within the low value and short life exemptions of IFRS 16.

	31 March 2024	31 March 2023
	£000	£000
Other:		
Not later than one year	20	16
Later than one year and not later than five years	9	24
Later than five years	-	-
Total	29	40

Buildings are disclosed as right of use assets as from 1 April 2022 under the application of IFRS 16 (Note 1).

14. Capital and other commitments

	31 March 2024	31 March 2023
	£000	£000
Not later than one year	566	-
Total	566	-

During 2024 PHSO entered into a contract to refurbish the Citygate offices and is committed to capital expenditure of £566k.

15. Other financial commitments

PHSO has non-cancellable contracts (which are not leases or PFI contracts) for the service and maintenance of information technology equipment and the service of its leased buildings. The total payments to which PHSO is committed are:

	31 March 2024	31 March 2023
	£000	£000
Not later than one year	1,974	2,748
Later than one year and not later than five years	697	1,142
Later than five years	-	-
Total	2,671	3,890


16. Related-party transactions

During the year neither the Ombudsman nor any other members of the Executive Team or Board, or their immediate families, have undertaken any material transactions with PHSO.

IAS 24 requires companies to disclose, in respect of individuals, any management compensation, and this requirement has been fulfilled through disclosure in the Remuneration Report. Expenses relating to the Executive Team and the Board are disclosed on the PHSO website.

17. Events after the reporting period date

In accordance with IAS10, the Ombudsman is required to consider the impact of events since the closing date of the Statement of Financial Position and up to the date on which the accounts are authorised for issue. This is interpreted as the date of the Certificate and Report of the Comptroller and Auditor General. In the Ombudsman's opinion there have been no events since 31 March 2024 that would affect the financial statements.



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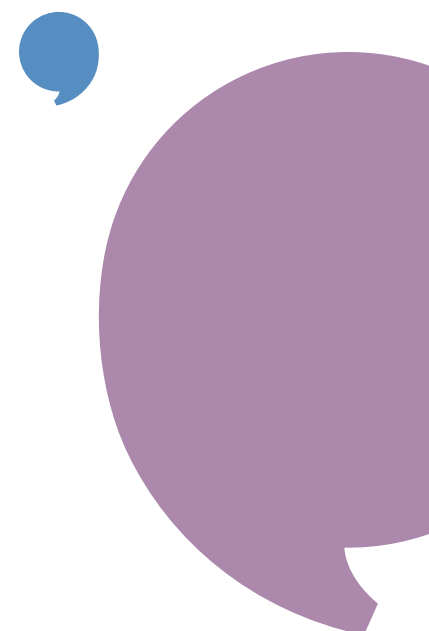
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