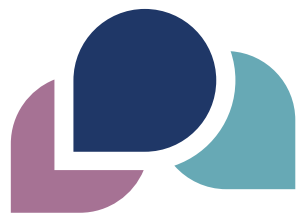


**SCOTTISH  
PUBLIC  
SERVICES  
OMBUDSMAN**



People Centred | Improvement Focused

# Annual Report and Accounts 2019-20



The full 2019-20 Accountability report & financial statements are available at [www.spsso.org.uk/finance](http://www.spsso.org.uk/finance)

# Contents

Overview . . . . .	4
Ombudsman’s introduction . . . . .	4
SPSO role and function. . . . .	5
Our vision, values and strategic aims. . . . .	7
Performance report. . . . .	10
First contact . . . . .	10
Complaints overview. . . . .	11
Complaints assessment . . . . .	17
Complaints investigation . . . . .	19
Complaints reviews . . . . .	21
Scottish Welfare Fund independent review service . . . . .	23
Model Complaints Handling Procedure. . . . .	26
Learning from complaints . . . . .	29
Stakeholder engagement. . . . .	35
Customer service . . . . .	38
Managing the organisation: openness and transparency . . . . .	42
Managing the organisation: our team . . . . .	44
Managing the organisation: governance. . . . .	47
Independent National Whistleblowing Officer . . . . .	53
Looking ahead . . . . .	54
Accountability report & financial statements. . . . .	55
Corporate governance report . . . . .	56
Remuneration and staff report . . . . .	63
Accountability report . . . . .	70
Independent auditor’s report . . . . .	71
Financial statements . . . . .	76
Notes to the accounts. . . . .	79
Direction by the Scottish Ministers. . . . .	89

Please note that percentages in this report are rounded. Therefore, totals may not always equal 100%.

# At a glance

We received **16,152 calls** to our Freephone number, 10% up on last year



We **received 4,332** complaints, and **closed 4,099**

**36%** of complaints were about the health sector  
**31%** were about local authorities

Of all investigated complaints, we **upheld 232** and **did not uphold 239**

Our Standards team responded to **254 enquiries** from public bodies

We received **1,038** Scottish Welfare Fund review applications, 29% up on last year

We **reduced our carbon footprint** by 35% against the 2015-16 baseline



**100%** of enquiries were handled within 10 days

We met or exceeded all of our SWF **performance indicators**

We completed a review of the **Model Complaints Handling Procedures** which were updated and published in January 2020 for implementation by 1 April 2021



247

We received **247 requests** to review complaint decisions, just **4%** of which were changed or amended

180

We welcomed **180** attendees to our Complaints Improvement Conference



We maintained **Investors in People** accreditation gold status

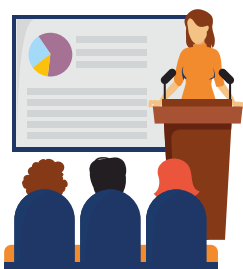
We made **1,038** recommendations to public bodies



**49%** of our recommendations were about learning and improvement, **38%** were individual remedies and **13%** were about complaints handling



We delivered **45 complaints handling courses**



We received the third highest number of **FOIs** among all non-departmental public bodies and responded to 98% within timescales



# Ombudsman's introduction

I want to start with two thank yous. Thank you to my fantastic team who have embraced change, rising workloads and delivering our services under lockdown. Thank you also to our many stakeholders who have been patient and understanding.

In this overview and introduction, I set out the main achievements, challenges and activities of the SPSO over 2019-20. This will give you a flavour of performance, which is explained in detail in the remainder of the report.

In 2018-19, the most impactful event was our office move from Melville Street to our office here in Bridgeside House. Little did we suspect that by the end of 2019-20, we would be making an even more challenging move – to working remotely because of the COVID-19 pandemic. While we did not actually close the office until 23 March 2020, it was anticipated, and in the run-up to lockdown, we had already made some changes to how we operated and would continue to operate over the coming months. It is all too easy to let those last few weeks of the operating year eclipse our achievements and challenges for the majority of the year.

2019-20 was the year many of the changes we had been working on were implemented and embedded. It was the first full year of major changes, including the introduction of 'provisional

decisions' in investigations, and how we support and intervene with public bodies where we identify complaint handling issues (or they ask us for support).

We introduced provisional decisions in February 2019. We knew that this would impact on our timescales and performance for several months as provisional decisions can add up to six weeks to an investigation. This is because of the time given to ensuring the parties have an opportunity to comment.

We also saw a 3% rise in the number of complaints received. Although, overall, we closed 4% more cases than last year, fewer were following a full investigation, although those investigations tended to be more complex. This was partly the result of process change and partly due to the impact of COVID-19, which hit us in the final quarter (the point of year when we usually issue the greatest number of decisions).

We saw a significant increase in the number of complaints closed early on, where we make some enquiries, but do not carry out a full investigation if we conclude we cannot achieve more for the complainant, or there is not a significant public interest.

We can only do this because of the positive impact of the Model Complaint Handling Procedures (MCHP) and improved complaints handling by public bodies. As complaints handling improves, and public bodies identify issues and take action, we do not need to become as involved. Of course, we check to make sure they have done what they said they would and have demonstrated learning.

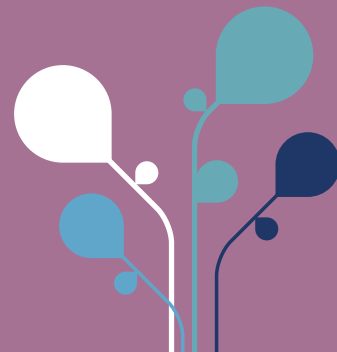


# SPSO role and function

**While the most public and resource-intensive element of our work is case handling, there is much more to what we do. The Ombudsman's statutory functions are stated with her powers and duties in the Scottish Public Services Ombudsman Act 2002:**

1. the final stage for complaints about most devolved public services in Scotland including councils, the health service, prisons, water and sewerage providers, Scottish Government, universities and colleges
2. specific powers and responsibilities to publish complaints handling procedures, and monitor and support best practice in complaints handling
3. independent review service for the Scottish Welfare Fund with the power to overturn and substitute decisions made by councils on Community Care and Crisis Grant applications
4. the role of the Independent National Whistleblowing Officer (INWO) for the NHS in Scotland. This was planned to be implemented in July 2020, but has been delayed following the COVID-19 pandemic and the unprecedented challenges for the NHS during the crisis (please see page 53 for an update on INWO developments during 2019-20)

The SPSO adds value to Scottish public services in many ways, such as helping people in crisis or need, promoting local resolution, improving consistency of decision-making and promoting the value of good complaint handling. In particular, we encourage learning for improvement, to enable more effective delivery of Scottish public services.



This is a positive development, but we recognise there is still more work to be done.

We completed the first review of the MCHP, which is now easier to use and covers additional themes like resolution, vulnerability and supporting staff.

At the same time, we recognised that one of the most supportive things we can do for complainants is to drive improvement in public services and to ensure complaints are properly addressed as early as possible by the public bodies themselves. We know public bodies sometimes need some extra help and

support and I am very pleased to report that the Support and Intervention Policy that we introduced at the start of the year has achieved positive outcomes in terms of complaint handling improvements.

Recognising all of this, we carried out a planned review of our targets and performance indicators, accepting that it would take some time for these to be achieved and that they needed to take into account the changing nature of our caseload.

As in previous years, we have exceeded targets for handling applications to the Scottish Welfare Fund Independent Review Service; another excellent year for the team.

## Key issues and risks

Our key risk was, and remains, resourcing. Resourcing issues vary across different parts of the organisation, but the common theme is quite simple: we have more work coming in than we have staff to handle it – to the timescales, quality and standards to which we aspire. We recognise that the solution does not simply lie in getting more resources. We keep our own processes under constant review (hence the introduction of more early decisions), but recognise that we cannot simply cut corners to churn casework through the process.

We are driven by our values and want to do a good job, not just a voluminous one, so try always to take an approach which balances speed of process with quality of output that meets stakeholder needs. We have now reached the point where even efficiency changes cannot keep pace with volume and complexity.

The direct result was delays in work being allocated. It is important to me personally, and to my leadership team, to balance the wellbeing of the team with the demanding output expected of them. Experience has shown us that assigning unreasonably large caseloads has a negative impact on wellbeing and productivity. For this reason, we have taken a different approach to new cases, which, although regrettably results in unavoidable delay in allocation, has improved communication with complainants and supports staff wellbeing. It is far from satisfactory and a major aim in 2020-21 will be reducing the time taken to allocate cases.

A significant strategic risk that came to happen was interruption to service because of the pandemic. We had already reviewed our business continuity arrangements and all our managers had participated in training. This stood us in good stead. The greatest challenges for us were further delay to the Independent National Whistleblowing Officer (INWO) go-live date, and IT. INWO was, quite rightly, postponed because of the demands on the NHS and impact on the wider public sector. In terms of IT, we were only part way (because of limited resources) to moving all our staff onto a technical platform that enabled remote working more easily and had to put in place some emergency arrangements.

## Looking forward

We laid our new Strategic Plan before the Scottish Parliament at the end of 2019-20 and developed our supporting business plan for delivery. We are developing a plan for easing of lockdown and continue to provide as much of our normal service as possible. We expect output to be impacted but will use the experience as an opportunity to learn about different ways of working, rooted, as ever, in our newly refreshed values.



**Rosemary Agnew**  
**Scottish Public Services**  
**Ombudsman**



# Our vision, values and strategic aims

At the SPSO, we are driven by our values and vision. In particular, we are people-centred and improvement focused. During 2019-20 as part of the preparation of our new Strategic Plan 2020-24<sup>1</sup>, we involved all of our staff in a refresh of our values. The result is a set of clearer and more tangible values that are owned by all SPSO staff and drive our approach.

1 [www.spsso.org.uk/strategic-plan](http://www.spsso.org.uk/strategic-plan)

## Values

We are committed to living our values to deliver our functions efficiently, effectively and economically. While our remit is wide, and expanding, we aspire to deliver our business coherently and consistently across all functions. We strive to continue to give great service to all who come to us; whether to make a complaint about a public body, seek our advice and support, ask for a review of a Scottish Welfare Fund decision or complain about how the NHS has handled a whistleblowing concern.



SPSO values diagram, developed 2019-20 and published in SPSO's Strategic Plan 2020-24

## Vision

We contribute actively and positively to high performing Scottish public services. Recognised for our innovative world-leading approach, we put people and learning at the heart of all we do.



### World-class service, transparent and well governed

- The Ombudsman sits on the Ombudsman Association's board. We contribute to events and consultations about issues that apply to all Ombudsmen schemes. We are also active members of special interest groups looking at, for example, legal issues and first contact (we chair this group).
- We are active members of the International Ombudsman Institute and the Ombudsman contributed directly to a number of events to share learning and experience. This is an opportunity to share our experience and learn from others.
- We were invited to participate in events run by leading academics in the UK looking at public ombudsman reform.
- We contribute and share our experience and learning from complaints through responding to public consultations, and Parliamentary appearances and calls for evidence. For example in relation to access to complaint procedures, Legal Aid reform in Scotland and complaints in Higher Education.

## Update on strategic aims 2019-20

The delivery of our strategy is managed through our annual business plans, which set out the actions we take to achieve our higher aims. Highlights this year include:



### Developing capacity

- We have embedded provisional decisions and made changes to our investigation approach to ensure we deliver good quality decisions, as a result of proportionate but people-centred consideration of complaints.
- We share our learning and expertise to help other ombudsmen schemes develop their capacity and have hosted colleagues from across the UK, Europe and Australia.
- We support the public sector in developing their capacity, through our Support and Intervention Policy.





### Public sector complaints handling improvement

- Our Support and Intervention Policy is not only about helping public bodies to develop their own capacity; it is also the mechanism by which we take proactive action if our monitoring of complaint handling identifies issues and shortcomings.
- We reviewed and updated Model Complaints Handling Procedures, in consultation with stakeholders. This update has included putting greater focus on resolution and supporting vulnerable people.
- We have been more proactive in highlighting complaint handling issues in our decisions.



### Enabling good complaints handling

- We provided advice for a range of stakeholders about complaint handling. Public bodies, advocacy organisations and complainants can contact us for advice and information about all aspects of complaint handling.
- We continued to review our website to make access to complaint handling advice more prominent and easier to navigate.
- We continued to deliver complaint handling training, and in February held our complaint handlers' conference providing an opportunity for learning and sharing.



### Help people know their rights to complain

- The continued review of our website was a significant start of a programme of work to help people understand their rights to complain. It makes access to the various parts of our service easier to navigate.
- We also commenced a project to look at the 'user journey'. Our aim is to understand what the barriers to complaining are, how they might be overcome and what we can do to communicate more effectively and make the 'journey' easier to navigate.
- Our Director sits on the Administrative Justice Council (and AJC Steering Group) looking at how Ombudsmen and complaint handling contribute to the wider Access to Justice landscape. This is also articulated in our refreshed values and new Strategic Plan 2020-24.

# First contact

We receive enquiries in our office via a variety of channels:

- 0800 free phone telephone number
- email and website contact form
- post.

Enquiries are received from:

- complainants seeking guidance on how to complain about a public service organisation or who are encountering difficulties in progressing through a complaints process
- complainants/advisors/advocates who are ready to send their complaint to the SPSO and require advice
- complainants/advisors/advocates who have a complaint being considered by our office and would like an update or to discuss it further
- organisations under our remit who are seeking advice about a range of complaint handling issues
- people and organisations who have a complaint or query about a matter that we cannot consider.

Where complainants require support in articulating and progressing their complaints, we signpost to Citizens Advice Bureaus, the Patient Advice and Support Service, and various advocacy services. This year we hosted a workshop for advisor and advocacy services during National Customer Service Week. We gathered suggestions on developing a specific page on our website with information that would

be helpful for advisors and advocates to support their clients. This page will be launched in 2020-21.

We are committed to making our service as accessible as possible and continuously work to improve our customers' experience. Further information on our work in this area can be found on pages 49-50 (*Governance – Accessible service*).

Work to improve our website and online complaint form has, this year, resulted in complaints made using our online complaint form rising from 1,782 in 2018-19 to 1,885 in 2019-20.

We also saw a 10% increase in calls to our Freephone number:

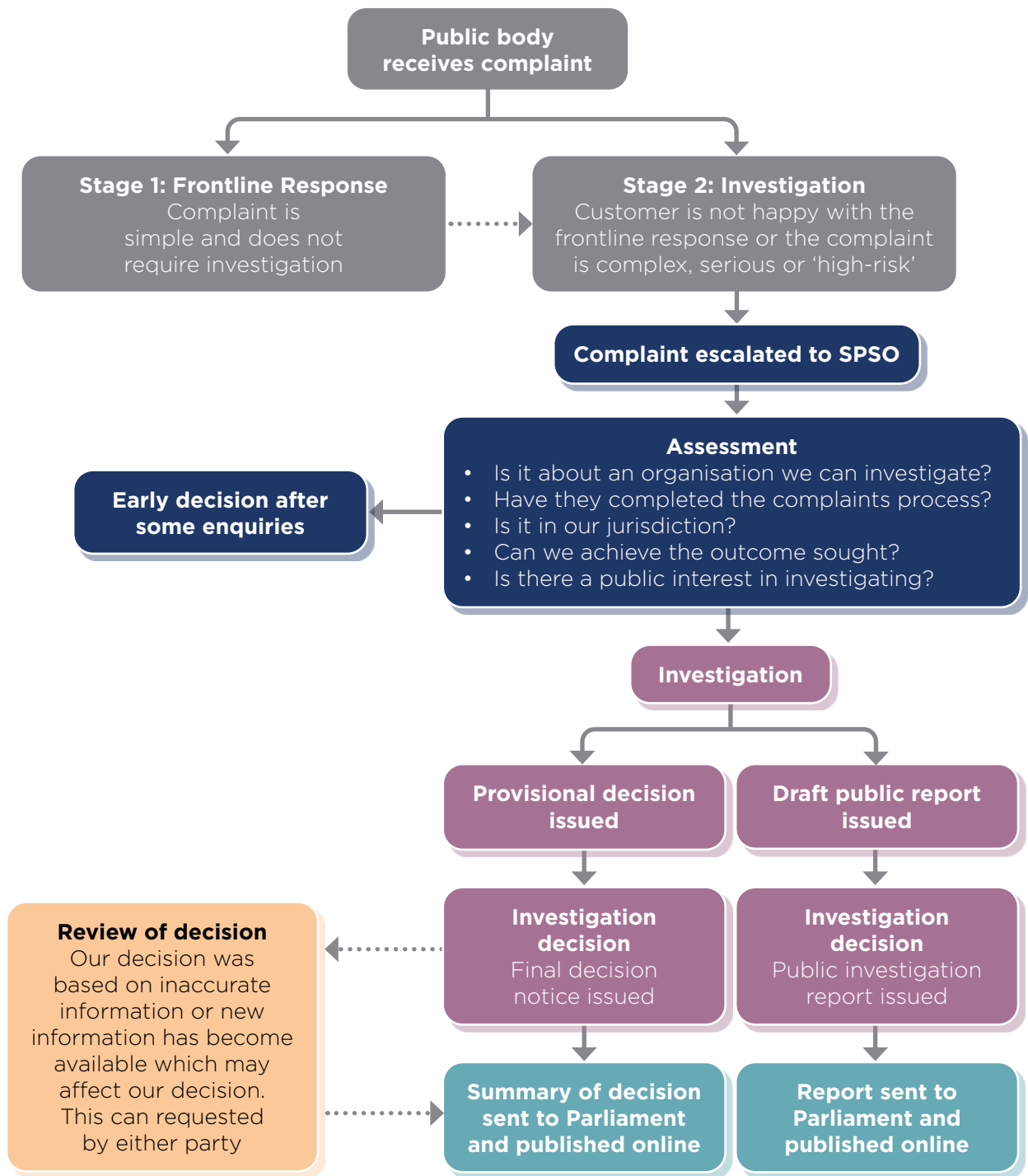


2019-20	2018-19
16,152 calls	14,662 calls

We receive many enquiries about matters that we cannot help people with ourselves. Where other organisations are better placed to offer support we signpost them to other sources of information including expert helplines such as Shelter, Planning Aid, Age Scotland and Consumer Direct; our or other websites, and to other complaint handling organisations. This year we received 1,569 of these enquiries. This is a reduction on last year, but still significantly higher than three years ago.

	2019-20	2018-19	% change 2018-19 to 2019-20	2017-18
General enquiry	14	18	-22%	10
Matter or organisation out of jurisdiction	759	813	-7%	534
Complaint not made to the public body	796	876	-9%	360
<b>Total</b>	<b>1,569</b>	<b>1,707</b>	<b>-8%</b>	<b>904</b>

# Complaints overview



**Further information: decision after full investigation**  
 We carry out a full investigation and may take specialist advice. Cases are closed either by a decision notice sent to both parties or a full public investigation report (cases meeting our public interest criteria)

**Further information: early decisions**  
 We make some enquiries, but do not carry out a full investigation. We may be able to resolve some cases at this stage. We also may not take them further if we consider there would be no significant benefit to the complainant, or the outcome desired is unachievable

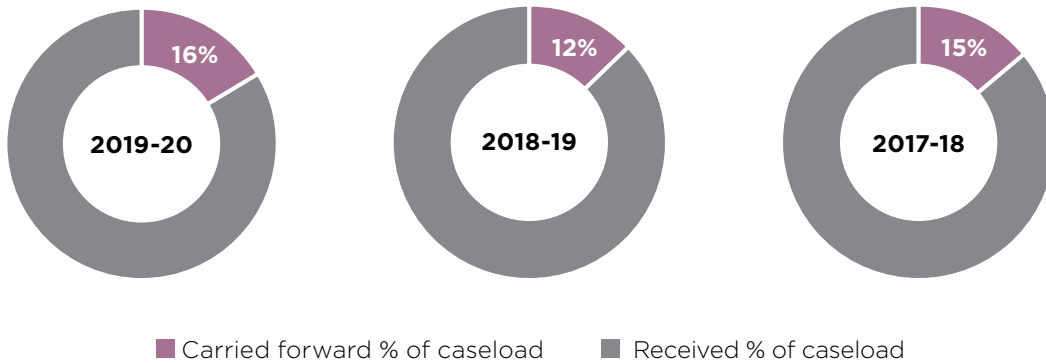
### Caseload

Casework numbers inform our performance management measures and resource planning. We use this information to inform the approaches we take in working with organisations and sectors to help support and improve complaints handling at a local level, and to reduce the numbers which escalate to us. We also use it to inform how we design our own systems and measure effectiveness.

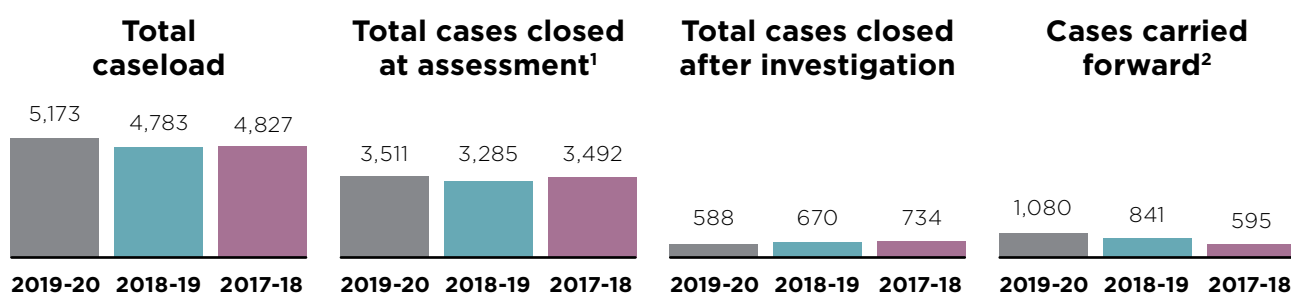
	2019-20	2018-19	% change	2017-18
Complaints received	4,332	4,188	3%	4,125
Cases carried forward from previous year	841	595	41%	702
<b>Total caseload</b>	<b>5,173</b>	<b>4,783</b>	<b>8%</b>	<b>4,827</b>
Carried forward % of caseload	16%	12%		15%

The number of complaints received during 2019-20 increased by 3% on the previous year. Including cases carried forward from 2018-19, our total caseload for 2019-20 was the highest since 2015-16 (when caseload was 5,275).

#### Percentage of cases carried forward:



## Complaints at a glance



	2019-20	2018-19	% change	2017-18
<b>Total cases closed at assessment<sup>1</sup></b>	<b>3,511</b>	<b>3,285</b>	<b>7%</b>	<b>3,492</b>
Out of jurisdiction	329	351	-6%	541
Premature	784	798	-2%	1,017
Not investigated further	2,398	2,136	12%	1,934
<b>Total cases closed after investigation</b>	<b>588</b>	<b>670</b>	<b>-12%</b>	<b>734</b>
Upheld in full	182	237	-23%	196
Upheld in part	150	142	6%	219
Not upheld	239	272	-12%	291
Not duly made, or withdrawn	11	14	-21%	18
Outcome unachievable	1	0	-	0
Resolved	5	5	0%	10

### Premature complaints

2019-20	2018-19	2017-18	2016-17
19%	20%	24%	28%

This year, only 784 of 4,099 complaints came to us prematurely (i.e. before they had exhausted the local complaints handling procedure).

This is a further drop of 1% on what has been a steadily decreasing figure over the years since designing, monitoring and promoting the Model Complaints Handling Procedures (MCHP)<sup>3</sup>, which are

now embedded within Scottish public bodies under the SPSO's jurisdiction.

This year marked a significant milestone, as this is the first year where the overall premature rate has dropped to below 20%. Within this figure, there are variations across sectors, which will be covered more fully in the *Learning from complaints* chapter on page 29-34. The overall picture is one of continuous improvement both for public bodies in effectively handling complaints locally, and for SPSO in not having to intervene as a result of poor complaints handling where customers seek SPSO intervention before the local process has been exhausted.

<sup>1</sup> For a breakdown of these cases please see page 17

<sup>2</sup> The figure for carried forward cases is run from our open figures on the first day of the year, and the other figures in this table are run from our closed year-end figures. Changes happen constantly to our open figures as cases are received and determined every day and this is why the number is marginally different from what a simple calculation of caseload - closed cases would predict (1,074).

<sup>3</sup> Please also see page 26-28 for further information about our work on the MCHP.

Complaints received by sector

Number of complaints by sector	2019-20	2018-19	% change	2017-18
Health (including prison health)	1,562	1,451	8%	1,403
Local Authority	1,327	1,301	2%	1,474
Housing Associations	338	323	5%	325
Scottish Prison Service	310	313	-1%	275
Scottish Government & Devolved Administration (excluding Scottish Prison Service)	220	181	22%	199
Joint Health & Social Care	214	209	2%	126
Higher Education	161	164	-2%	129
Water	143	164	-13%	95
Further Education	29	32	-9%	40
Other	28	50	-44%	59
<b>Total</b>	<b>4,332</b>	<b>4,188</b>	<b>3%</b>	<b>4,125</b>

Proportion of complaints by sector	2019-20	% of 2019-20 total received
Health (including prison health)	1,562	36%
Local Authority	1,327	31%
Housing Associations	338	8%
Scottish Prison Service	310	7%
Scottish Government & Devolved Administration (excluding Scottish Prison Service)	220	5%
Joint Health & Social Care	214	5%
Higher Education	161	4%
Water	143	3%
Further Education	29	1%
Other	28	1%
<b>Total</b>	<b>4,332</b>	<b>100%</b>

As in previous years, the health sector continued to account for the largest proportion of cases received in 2019-20.

Local arrangements for the provision of health and social care services vary across Scotland, making it difficult to make direct comparisons between geographic regions but nationally across health boards, local authorities and health and social care partnerships we can see that there has been an overall uplift in complaints of 5%.



## Key Performance Indicators (KPIs)

Responding to complaints in a timely manner is a priority for us. In 2019-20, we worked towards two different targets. For the first half of the year we met or exceeded PI-1 and PI-3.

In October 2020, we adopted a new set of performance indicators. These took account of a number of factors including the changing profile of cases that come to us as well as a change to our process as follows:

- there are now more complaints that come to SPSO ready to be considered by us than in the past (i.e. a fall in the premature rate)
- our casework involves increasingly complex cases as public bodies get better at following the MCHP to handle

- more straightforward complaints linked to this increasing complexity; the extension of SPSO's jurisdiction to allow for considering professional judgement in social work cases (these now account for around 9% of SPSO investigations, compared to only 3% in 2017-18, when we initially took on this new power, and only 1% in the year prior to this extension)
- a process change to issuing of provisional decisions on all investigation cases which adds time to the investigation process but provides service users with a greater opportunity to comment on decisions
- static investigative resourcing levels for an increasing volume of cases.

We aim to be realistic in our targets and measures, but equally we recognise they need to be both ambitious and reflect what we should be aspiring to achieve.

### Original SPSO KPIs (from 1 April 2019 – 30 September 2019)

KPI	Description	2019-20 (Qs 1-2)	2018-19	2017-18
PI-1 complaints	95% of advice stage complaints handled within 10 working days	100%	100%	100%
PI-2 complaints	95% of early resolution complaints decided or moved to more complex investigation stage within 70 working days	77%	89%	85%
PI-3 complaints	95% of investigation complaints decided within 260 working days	95%	97%	97%

### Revised SPSO KPIs (from 1 October 2019 onwards)

KPI	Description	2019-20 (Qs 3-4)
PI-1 complaints	95% of advice stage complaints handled within five working days or fewer	100%
PI-2 complaints	95% of complaints decided or moved to more complex investigation stage within 80 working days or fewer*.	66%
PI-3 complaints	85% of investigation complaints decided in 12 months or fewer*.	81%

\*PI-2 and PI-3 do not include the number of days that a case is handled at PI1, as there is no investigatory work at this point.

We were aware that during the transition from one set of targets to another, and as a result of changes to our process, we were unlikely to achieve all of these targets in the six months they were in place, but felt it important to introduce them as the baseline.

The number of days taken for PI-3 has not been altered in the new performance indicators, but the target has been reduced from 95% to 85% in recognition of the changes to our process, most notably to the provisional decision process. The opportunity for organisations and complainants to comment on the provisional decision is now built into our timescales. We recognise it adds to the time taken overall, but it is very much driven by our values by making decision-making more transparent and people-centred.

PI-2 was most heavily impacted throughout the year, both under the original and revised PI as a result of the number of days it took to allocate

a complaint because of rising volumes. Delays in allocating cases were as a result of rising caseloads and a static investigative resource in the face of rising numbers meant there was more work coming in than we had investigative resource to handle.

The revised PI-3 was the target most impacted by COVID-19. Although actual lockdown occurred in the final weeks of the year, business days were lost in the run-up as we prepared for lockdown during the period we usually close a significant number of cases. COVID-19 also began impacting on public bodies and their ability to respond to our enquiries.



# Complaints assessment

We tell people as soon as we can what action we can and will take on a complaint. We explain whether their case can be resolved, is something that we can legally look into, and whether an SPSO investigation is beneficial to them. We call this stage assessment.

Assessment outcome	Number of cases	Description
Not duly made or withdrawn	972	We cannot investigate something that does not meet the statutory definition of a complaint or is withdrawn.
Out of jurisdiction (discretionary)	147	Our governing legislation sets out what we can and cannot accept as a complaint. In some situations (such as a complaint being made late) we have discretion (that means some choice) to accept them anyway, but have decided not to.
Out of jurisdiction (non-discretionary)	182	The law simply does not allow us to look into some cases.
Outcome not achievable	90	We don't want to raise hopes unnecessarily so will not generally accept complaints where the outcome the complainant wants is not achievable by us.
Premature	784	Premature complaints are cases that have not completed the public body's complaints process. It is important that authorities are given the opportunity to address complaints first as it is to the complainant's advantage, and provides an opportunity for learning.
Proportionality	1,279	In some cases, the organisation complained about has already accepted service failures and taken appropriate steps to address them. If we cannot achieve any more for the complainant or the wider public interest, we do not investigate. We call this a 'proportionality decision'. Our aim is to provide a more realistic and efficient service.
Resolved	57	These are cases we did not investigate further as they were resolved to the satisfaction of both parties without the need for a full investigation.
<b>Total</b>	<b>3,511</b>	

### Proportionality decisions

‘Proportionality decisions’ is the blanket term for cases we make decisions about early on, where we may have made some enquiries but not carried out a full ‘investigation’. This happens for a variety of reasons:

Failure to comply with MCHP	74
Appropriate action taken/offered by organisation	433
Outcome sought unreasonable or unachievable	111
Investigated by appropriate alternative organisation	47
Investigation would lead to no practical benefit	70
Referred to appropriate alternative organisation	26
Reasonable investigation by the organisation	476
SPSO proposed resolution	28
Impact of time	8
No significant injustice or hardship to complainant	6
<b>Total of proportionality decisions 2019-20</b>	<b>1,279</b>

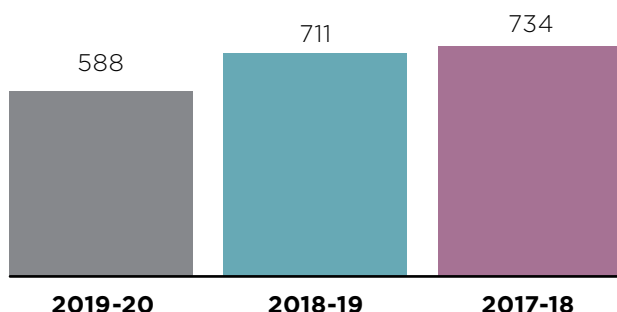
### Unallocated cases

Increasing caseloads and complaints numbers meant we were unable to allocate complaints to complaints reviewers as they came in. We recognised that we had to have a system of managing these proactively to ensure fairness to all service users. Putting a system in place meant we were able to give service users more accurate timescales of when their case was likely to be allocated, and protect our caseworkers from overload/burnout that comes from managing too large a caseload. It has also enabled us to reduce the administration involved in tracking these cases.



# Complaints investigation

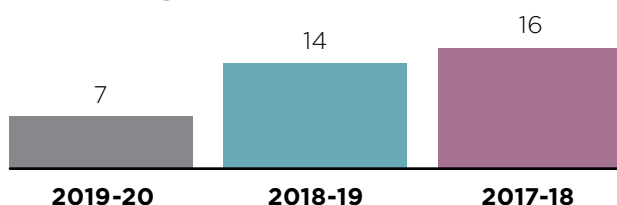
## Investigations completed



Changes to our caseload and how we handle it, mean that we are making significantly more decisions early on, without the need for long, more in-depth investigation. This a better use of our resources and means complainants and public bodies are receiving outcomes sooner.

Even with this, the number of investigations completed was lower than predicted because of the impact of COVID-19. Historically, many of our investigations are completed in the final quarter of the year. This year, COVID-19 and the run-up to lockdown had a significant impact on numbers of cases closed because of the hiatus in delivering our services and the impact on staff resources.

## Public reports



We issued fewer public reports in 2019-20. This in part reflects the increasing additional work public bodies are doing, through thorough and robust investigations (as required of the MCHP)

to try to resolve complaints before they come to the SPSO.

Cases that are not published in full as a public investigation report are usually published as decision summaries. Public reports and decision summaries can be found on our website.<sup>2</sup>

## Uphold rate

Year	2019-20	2018-19	2017-18
Uphold rate	58%	58%	59%

For the third year in a row, the uphold rate has remained stable. In 2019-20, we continued to develop our approach to the proportionate investigation of cases. We do not consider it fair to complainants or public bodies to carry out in-depth investigations where we have evidence that the public body has already carried out a thorough investigation and/or taken appropriate action in response to complaints. We do not simply take this on face value, and will take action as needed to ensure commitments given by public bodies are delivered.

## Independent advice

### Closed cases requiring independent advice, by type

	2019-20	2018-19	2017-18
Clinical	821	935	1,002
Social work	69	120	34
Other	91	109	133
<b>Total</b>	<b>981</b>	<b>1,164</b>	<b>1,169</b>

<sup>2</sup> <http://www.spsso.org.uk/our-findings>

We use independent professional advisers to inform our decision-making on some complaints; this includes health, social work, local authority planning, water services, equalities and environmental health cases.

## Closed cases requiring multiple independent advice

	2019-20	2018-19	2017-18
1 request for advice	530	560	512
2 or more requests for advice	178	254	254
<b>Total</b>	<b>708</b>	<b>814</b>	<b>766</b>

Overall, the number of requests for advice has fallen, but this is not an indication that we are seeking less advice. The fall in overall numbers reflects the reduction in the number of cases closed, or the increased time taken due to complexity, particularly in the final quarter. As cases remained open or open longer, new cases requiring advice were not being progressed as quickly.

What has changed significantly is the proportion of cases where only one piece of advice was requested. In 2019-20, this was 75% of requests, an increase of 6% on the year before and 8% since 2017-18. This is because of an increase in the number of social work cases requiring advice. Although, typically, only one adviser is required, the level of advice that is required can be significant and complex.

## Provisional decisions

Following a successful pilot in early 2019, provisional decisions are now embedded within our process. Although the provisional decision process has extended the amount of time it takes to process our investigations (on average around five to six working weeks) we believe it is a more transparent and inclusive process that very much reflects our values. We also believe this leads to better outcomes for both members of the public and public bodies.

## Communicating our decisions

At the beginning of October 2019, we changed how we communicate decisions not closed as public reports. We introduced 'decision notices' that are issued to each party with a covering letter.

Decision notices are anonymised. They are issued at provisional decision stage, and finalised taking into account any comments received.

The new decision notices:

- outline the background and context
- the complaint we accepted for investigation
- a description of our investigation
- set out the evidence on which we relied, including where appropriate, independent professional advice, and relevant policies and guidance
- our conclusions, findings and recommendations in relation to each head of complaint

The introduction of decision notices also supports our duties under Data Protection legislation in relation to 'privacy by design'. Anonymised decisions remove personal data from the decision itself, reducing the risk of inadvertently disclosing personal data.

# Complaints reviews

## Requests for review

In line with SPSO's values to work fairly, be people-centred and to learn and improve, we operate a review process whereby the complainant or public body can ask for a review of a complaint decision (not closed by public report where the process is slightly different). Reviews are a valuable source of learning, and are considered personally by the Ombudsman, with support from Executive Case Officers, who had no part in the original investigation or decision.

In 2019-20, we received 247 requests for reviews and the Ombudsman responded to all 247 requests. This represents 10% of all decisions made this year.

The outcome of the reviews is broken down as follows:

- the decision stood in 220 cases
- ten decisions were changed or amended (i.e. where we either change the outcome by issuing a fresh decision, or amend the decision reasons to give more robust or clearer explanations)
- seven cases were reopened in light of new information
- in two cases, the recommendation was amended and feedback given to the public body
- in six cases the review was withdrawn
- in two cases the review was ineligible

## Reasons for revised decision

In three out of 10 cases where we revised the decision, the outcome was unchanged but we concluded our reasoning could have been more robust or clearer. In the remaining seven cases, the outcome was changed. Reasons why the decisions were amended included:

- misinterpretation of the applicable rules
- failure to address a material point within the complaint
- misunderstanding of the timeline of events
- failure to correctly apply SPSO guidance
- failure to take into account material evidence
- misinterpretation of the outcome sought by the complainant.

Through targeted quality assurance and training, and revision to our internal guidance, we have seen a significant reduction in the number of cases changed or amended over the year.

This is a welcome and significant achievement. We consider it reflects the introduction of provisional decisions, which give greater opportunity for questions, and new information to be provided before a final decision is made.

## Performance against KPI Indicator

Indicator	Target	2019-20	2018-19	2017-18
PI-5	95% of cases requested for review decision correct	96%	92%	95%

## Quality Assurance

In line with SPSO's value to learn and improve, the SPSO operates a Quality Assurance (QA) programme specifically designed to meet our commitment to improve quality and consistency. The QA programme is a mix of risk-based and standardised assessments carried out independently of the case handling teams.

In 2019-20, the QA programme specifically considered the following areas:

- a risk-based assessment of our identification and progression of 'heads of complaint', including whether the scope of our subsequent investigation was appropriate and in line with what was agreed
- a risk-based assessment of the implementation of amended internal guidance
- a general assessment of casework
- a general assessment of the Scottish Welfare Fund decisions
- a general assessment of the professional advice received

To embed the learning we identified through the QA process, the findings of the QA (including the identification and highlighting of good practice) were discussed with the individuals involved and relayed to their respective managers. The findings, including any recommendations for improvement (such as training or guidance changes), were also reported to the SPSO leadership team to inform wider learning and improvement, and thereafter fed back through the relevant internal performance meetings.

In 2019-20, we did not amend any decisions as a result of QA.





# Scottish Welfare Fund independent review service

## Contacts

Our Scottish Welfare Fund (SWF) team were contacted by 1,859 people during 2019-20, which is a 19% increase from the previous year. This included increases both in signposting enquiries (for instance, queries where we would send people back to the council or redirect them to another organisation) and review application requests.

## Enquiries

As in previous years, the majority of signposting enquiries were people contacting us in error instead of their local council (634), and we subsequently signposted them appropriately. We also continued to receive a number of contacts (84) from applicants who did not have telephone credit to contact their local council. As highlighted previously, it remains a concern in terms of accessibility that very few councils have Freephone contact numbers.

Towards the end of 2019, we started to record enquiries from council staff who were contacting us for general, non-case specific advice about the SWF guidance and our processes. We recorded 24

instances of general advice being given to council decision makers and we will continue to track this form of enquiry going forward.

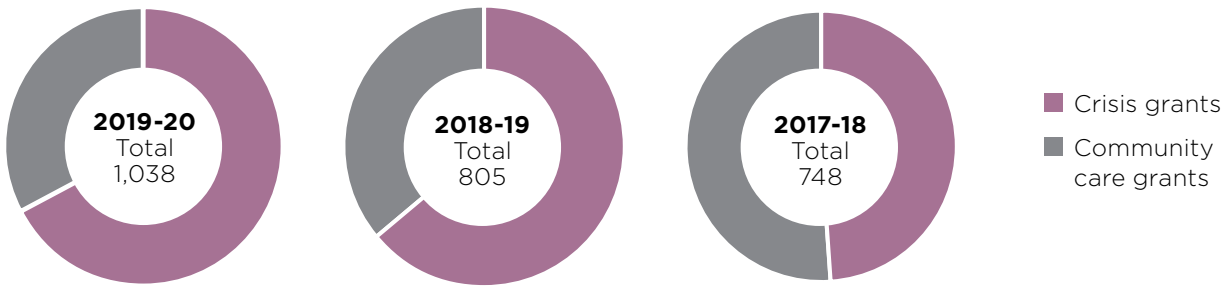
## Impact of increase in applications

The number of review applications received increased steadily in the initial years of the SWF review service between 2016 and 2019. However, this year's increase of 29% was the most substantial increase in casework to date, and created significant resourcing challenges for the team of six, who cover the whole of Scotland.

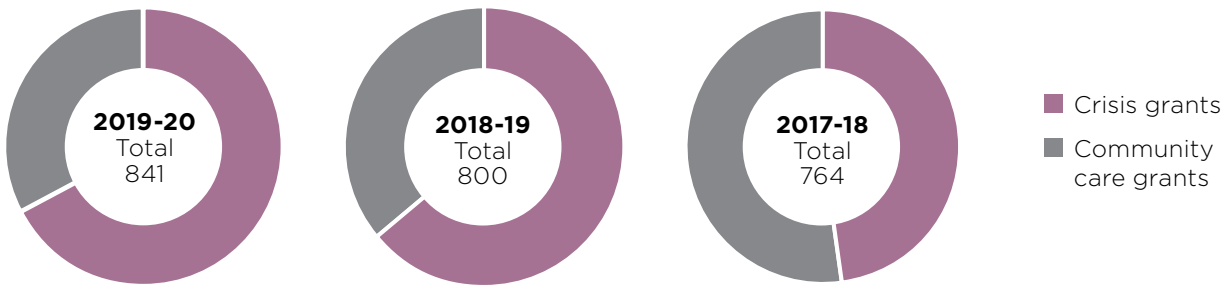
In spite of this, the team rose to the challenge and exceeded their efficiency and quality targets to ensure that they maintained an excellent level of service for applicants. This was achieved largely through changing processes to increase efficiency, and by drawing resources from the management team and from other teams within SPSO. It was recognised, however, that utilising resources from outwith the compliment of case reviewers was not sustainable on a long-term basis. We are therefore pleased to confirm that we successfully secured resources for an additional case reviewer for 2020-21.

Type of contact	2019-20	2018-19	% increase 2018-19 to 2019-20	2017-18
Signposting	821	762	8%	424
Review application	1,038	805	29%	748
<b>Total</b>	<b>1,859</b>	<b>1,567</b>	<b>19%</b>	<b>1,172</b>

**Review applications received**



**Review applications handled**



As can be seen below, despite the overall increase in volumes and output, all targets were met or exceeded.

Although we did not have any additional permanent resource to support this, as an interim measure, staff from other parts of the office were trained to provide ad hoc support when caseloads became too great for the regular SWF team. This reflects our commitment to providing access and support to vulnerable people, by making sure we don't take any longer than we have to make SWF review decisions.



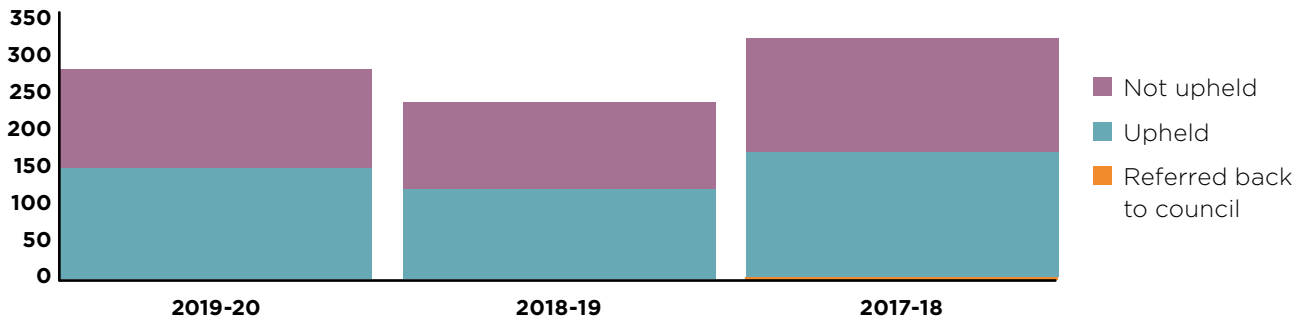
**Key performance indicators (KPIs)**

	2019-20	2018-19	2017-18
PI-1 95% of crisis grants determined within one working day	100%	100%	99%
PI-2 95% of community care grants determined within 21 working days	96%	98%	99%
PI-3 95% of reconsiderations (internal review of our decisions) - decision is correct	99.9%	100%	100%

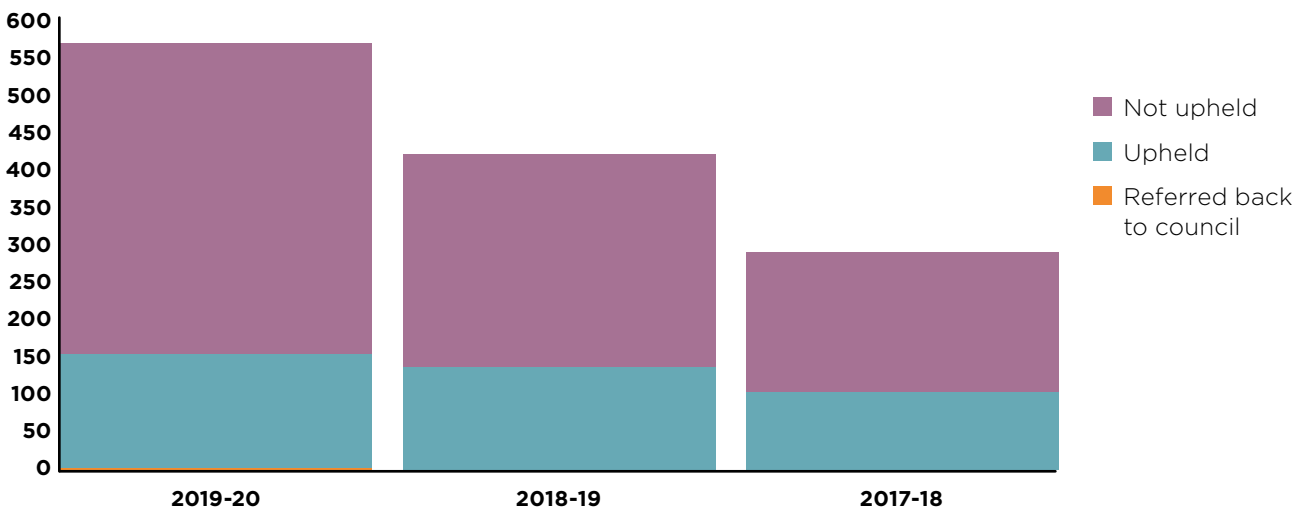
PI-1 and PI-2 were set following a public consultation. PI-3 is a voluntary quality indicator we set for ourselves.

## Review application outcomes

### Community care grants



### Crisis grants



Uphold rates indicate the proportion of cases in which we have changed councils' decisions. The 5% fall in the uphold rate for crisis grants is encouraging. This, in our view, is partly linked to an increase in the number of applicants who are contacting us as repeat applicants to the fund. In these cases, applicants had already received three awards or more in the previous 12 month period, and the circumstances therefore needed to be exceptional to be eligible for further assistance. In many cases, as the reasons for the crisis were similar to previous applications, or the applicant was assessed as having some responsibility for their crisis situation, we agreed that the

circumstances were not exceptional in line with the statutory guidance definition.

The 2% increase in the uphold rate for community care grants is comparable to last year's results and means that we continue to disagree with councils' decisions in over half of these applications. Only a very small proportion of total applications that are made to the fund ask for an independent review; therefore, we cannot assume that these are typical of all decision-making. However, this does indicate a need for learning in respect of the applications that have reached independent review.

# Model Complaints Handling Procedure

## Monitoring compliance with the Model Complaints Handling Procedure

With the Model Complaints Handling Procedure (MCHP) now fully adopted across Scottish public bodies under SPSO’s jurisdiction, much of our focus is on monitoring compliance and supporting improvement. We monitor in various ways, for example through environmental scanning, the self-assessment of organisation’s complaints procedures, issues identified from the complaints made to SPSO, and working directly with organisations to share and support good practice in complaints handling.

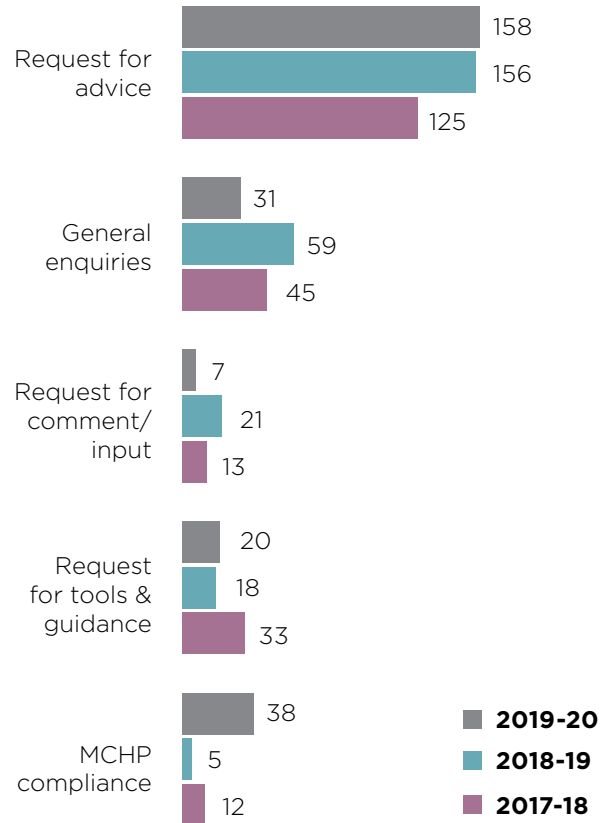
Advice and guidance provided by SPSO for authorities includes:

- sharing tools and guidance for effective complaints handling
- reviewing and providing feedback about draft complaints handling procedures
- contributing to complaints handling network events for key sectors
- clarification on how to apply the MCHP to real-life (non-case specific) situations
- delivering presentations and workshops on good complaints handling

### Requests for advice or support

2019-20	2018-19	2017-18
254	259	228

### Types of advice requests



Overall, the total number of requests is consistent with last year, but as can be seen, the nature of those requests has shifted. There:

- were significant falls in relation to general enquiries and requests for comment/input. We see this as positive, and a reflection of increased familiarity with MCHP and work we have done on our website.
- was an increase in the volume of contacts about compliance. We anticipate a further temporary rise for the next year or two, as organisations begin to introduce the revised version of the MCHP published in January 2020.

## Advice requests by sector

Advice requests by Sector	2019-20	2018-19	2017-18
Local Authority	58	73	56
Health	65	61	70
Housing	53	40	28
Scottish Government and Devolved Administration	37	30	21
Colleges and universities	19	20	21
Water	4	4	2
Other	18	31	30
<b>Total</b>	<b>254</b>	<b>259</b>	<b>228</b>

The main changes from last year in where requests came from were:

a decrease in contacts received from the local authority sector when compared to the previous year

a slight increase in the volume received from the housing sector

We saw no particular reason for these shifts.

## Supporting the complaint handling community

In addition to our support work with organisations under jurisdiction, we also hosted visits from a variety of organisations hoping to find out more about the MCHP and Scotland's approach to complaints handling. We are always pleased to share what we have learned from the introduction of the MCHP over the years and share some of the good practice that we see across the sectors. This year we met with visitors from across the UK, Europe and wider.



## MCHP review

This year we completed a review of the MCHP across all sectors (except the NHS). This was the first full review since 2012, when the original MCHPs were published.

Our consultation work began in 2018 and continued throughout 2019 where we sought direct feedback from all organisations within SPSO's jurisdiction, and other external stakeholders. Towards the end of 2019, we shared the revised draft procedure with bodies under SPSO's jurisdiction and external stakeholders for comment. We also presented on the findings of our work to sector complaints networks. In response to the feedback received, we updated the draft before its publication in January 2020<sup>3</sup>. In listening to the sectors and responding positively to the required timescales for implementation, we agreed that public bodies should fully implement the revised procedure by no later than 1 April 2021.

<sup>3</sup> [www.spsso.org.uk/the-model-complaints-handling-procedures](http://www.spsso.org.uk/the-model-complaints-handling-procedures)

The revised procedures provide:

- a standardised core text across all of Scotland's public services
- updated content in line with:
  - feedback from organisations under SPSO's jurisdiction
  - issues identified from our casework
  - recent research and good practice in relation to using alternative resolution approaches, promoting positive complaint behaviours and improving access to complaints for vulnerable persons

We published a revised MCHP for each sector with additional guidance and sector specific examples. Each MCHP includes direct links to SPSO tools and online resources under the relevant areas.

The previous MCHPs for local authorities and social work have now been merged into a single MCHP, taking into account stakeholder views expressed through our public consultation. Therefore, once local authorities have implemented the revised procedure there will no longer be a standalone Social Work MCHP.



*In 2020-21, we will be providing support and guidance to organisations as they work towards adopting the revised procedure by April 2021.*



# Learning from complaints

We work continuously with our stakeholders to promote learning and drive improvements to ensure that complainants have their rights respected, and to avoid a future repeat of the problem for others. Integral to this is the making of recommendations resulting from investigations.

## Premature complaints by sector

Sector	Total Prens 2019-20	Prens as % of total cases per sector	Prens as % of total 2018-19	Difference	Prens as % of total 2017-18
Further Education	1	4%	9%	-5%	13%
Higher Education	14	9%	16%	-7%	11%
Health	261	18%	17%	1%	22%
Housing Associations	56	18%	22%	-4%	31%
Joint Health & Social Care	26	13%	16%	-3%	14%
Local Authority	267	21%	24%	-3%	28%
Scottish Government & Devolved Administration (excluding prisons)	39	18%	15%	3%	17%
Scottish Prison Service	61	20%	21%	-1%	21%
Water	55	39%	37%	2%	39%
Other (incl out of jurisdiction)	4	14%	6%	8%	n/a
<b>Total</b>	<b>784</b>	<b>19%</b>	<b>20%</b>	<b>-1%</b>	<b>24%</b>

## SPSO uphold rates by sector

Uphold rates by sector	2019-20	2018-19	% Difference	2017-18
Local Authority	64%	59%	5%	58%
Health	55%	59%	-4%	60%
Scottish Government and Devolved Administration (excluding prisons)	67%	67%	-	65%
Scottish Prison Service	92%	73%	19%	33%
Housing Associations	60%	50%	10%	57%
Water	71%	55%	16%	73%
Further Education	0%	100% (only investigated one case)	-100%	58%
Higher Education	64%	33%	31%	45%
Joint Health & Social Care	55%	55%	-	50%

The most significant changes were in relation to the Scottish Prison Service and Higher Education. The reasons for this are not apparent and our ability to look into this further is hampered by lockdown.

## Overview of SPSO recommendations

We are most likely to ask for a specific action to be taken in relation to individual remedies. With complaint handling, and learning and improvement, we take a slightly different approach and focus on the outcomes we require and the evidence that they have been achieved. This, we believe, promotes more sustainable and embedded learning and improvement.



### Recommendations made in 2019-20

Recommendation type	2019-20	% of total recommendations	2018-19	2017-18
Complaints handling	130	13%	130	109
<i>Individual - apology</i>	326	31%	342	379
<i>Individual - financial</i>	18	2%	8	17
<i>Individual - other</i>	53	5%	36	52
Individual - total	397	38%	386	448
Learning & Improvement	511	49%	644	635
<b>Total</b>	<b>1,038</b>	<b>100%</b>	<b>1,160</b>	<b>1,192</b>

### Recommendations in 2019-20 - by sector

Sector	Complaints handling remedy	Individual remedy - apology	Individual remedy - financial payment	Individual remedy - other	Learning and Improvement remedy	Sector total	% of total
Further Education	0	0	0	0	0	0	0%
Health	79	208	4	15	359	665	64%
Housing Associations	1	3	0	0	0	4	0%
Joint Health and Social Care	9	13	1	7	18	48	5%
Local Authority	20	55	3	15	92	185	18%
Scottish Government & Devolved Administration (excl. prisons)	3	5	1	1	4	14	1%
Scottish Prison Service	9	18	0	4	8	39	4%
Higher Education	3	13	0	8	17	41	4%
Water	6	11	9	3	13	42	4%
<b>Total</b>	<b>130</b>	<b>326</b>	<b>18</b>	<b>53</b>	<b>511</b>	<b>1,038</b>	<b>100%</b>
Proportion of recommendations issued	13%	31%	2%	5%	49%	100%	



## Feedback to organisations – 2019-20 by sector

	Total no. of feedback 2019-20 by sector	Complaints handling	Points to note	Response to SPSO investigation
Further Education	3	2	1	0
Health	282	69	188	25
Housing Associations	4	2	2	0
Joint Health and Social Care	27	5	21	1
Local Authority	78	23	44	11
Scottish Government & Devolved Administration (excluding prisons)	4	2	1	1
Scottish Prison Service	3	0	2	1
Higher Education	10	2	8	0
Water	4	2	2	0
<b>Total</b>	<b>415</b>	<b>107</b>	<b>269</b>	<b>39</b>

We give feedback to organisations if during the course of an investigation we identify either a matter of concern that in itself is not the subject of the complaint, but is related to the general matter under investigation, or if we recognise good practice. Such feedback ranges from comments on the organisation’s complaint handling or interaction with SPSO, to alerting the public body to key points within our decision, like comments by an adviser.



## Compliance with recommendations

We set a deadline for implementation of recommendations and follow them all up until we are satisfied that they have been implemented.

### Timescales for compliance with SPSO recommendations

	Total closed	Within target	% closed within target	Completed - Over Target - under 1 month	% closed within target or within 1 month of target	Completed - Over Target - under 3 months	% closed within target or within 3 months of target
Health	688	324	47%	257	84%	307	92%
Housing Associations	5	4	80%	0	80%	1	100%
Joint Health and Social Care	32	10	31%	14	75%	18	88%
Local Authority	149	110	74%	21	88%	32	95%
Scottish Government & Devolved Admin (not prisons)	12	12	100%	0	100%	0	100%
Scottish Prison Service	30	17	57%	7	80%	10	90%
Higher Education	38	11	29%	14	66%	19	79%
Water	43	29	67%	9	88%	12	95%
<b>Total</b>	<b>997</b>	<b>517</b>	<b>52%</b>	<b>322</b>	<b>84%</b>	<b>399</b>	<b>92%</b>

52% of recommendations were implemented within the target specified; this is the same as in 2018-19.

92% of recommendations closed in 2019-20 were closed within three months of the target date set. This is broadly similar to 2018-19 when 94% were closed within three months.

### Support and Intervention Policy

This year we introduced our Support and Intervention Policy (S&IP). This policy formalises the mechanisms we already used to offer support to organisations and take intervention when required.

It helps us to focus our resources on public bodies who require support in order to help them improve their practice or address poor performance, or where intervention action is more appropriate to ensure the public body takes specific action to improve performance in relation to complaints handling, handling of Scottish Welfare Fund reviews or engagement with SPSO.

It also informs public bodies of what they can expect from us.

There are five levels of intervention, level 1 being the most informal, and level 5 being the application of legal powers. There is more information about this on our website<sup>4</sup>.

Activity under the S&IP might be as straightforward as further contact from one of our Complaints Reviewers chasing up overdue information or, in situations of continued non-compliance or repeated difficulties, the Ombudsman may ultimately decide to issue a report to Parliament drawing their attention to the problem. By logging and monitoring these additional and further contacts, we can build a better overall picture of how organisations are responding to complaints as well as identifying problems in their interactions with us.

The commonest S&IP intervention this year was further contact from one of our Complaints Reviewers. This successfully resolved most issues.

On seven occasions, however, matters were not resolved at this first stage on the procedure, and a member of our

leadership team made contact with the Chief Executive of the public body concerned to highlight the particular issues, referring to our S&IP and offering our support in resolving matters without necessitating further escalation.

Common examples of level 1 interventions were:

- issuing a reminder to an organisation about an overdue enquiry or recommendation (officer to officer)
- escalating a level 1 to an SPSO team manager to make an approach to the Chief Executive to make them aware of a potential issue
- gathering intelligence from our early stage assessment of cases which point to a potential issue and following this up through our Improvement, Standards and Engagement team

We are pleased to report that our interventions have been successful and resulted in positive outcomes. We see the S&IP as an opportunity to engage constructively with public bodies to drive better outcomes for complainants.

<sup>4</sup> [www.spsso.org.uk/support-and-intervention-policy](http://www.spsso.org.uk/support-and-intervention-policy)

Closed at level:	No. of Support and Intervention actions 2019-20	Public service organisation
2 - Leadership team	5	<ul style="list-style-type: none"> <li>• Water Industry Commission for Scotland, non-response</li> <li>• A medical practice, non-completion of recs</li> <li>• Dumfries &amp; Galloway Council, no evidence of rec compliance</li> <li>• North Lanarkshire Council, non-payment of SWF crisis grant</li> <li>• Clackmannanshire Council, failure to follow SWF Scottish Government guidance</li> </ul>
3 - Project plan	1	NHS Greater Glasgow & Clyde, an action plan to audit and demonstrate learning from complaints
4 - Ombudsman direct contact	1	Heriot-Watt University, failure to provide information on recommendation
5 - Report to Scottish Parliament	0	

Due to reporting issues, we do not have a full breakdown of level 1 interventions undertaken in 2019-20

## Case study

NHS Greater Glasgow & Clyde (NHS GG&C) was one of the organisations who took up the offer of support. We identified issues with the accuracy and timeliness of some responses to our requests for information. We contacted the Chief Executive and met with the board to discuss specific cases alongside the overall picture emerging from our monitoring activities. Resolutions were quickly identified and put in place for the particular cases.

A small project team of NHS and SPSO staff worked together to develop an action plan to audit current practices, identify key areas for targeted improvement work and develop tools and resources to support good complaint handling and investigation.

The project culminated in a seminar held in February this year attended by over 70 senior clinical staff from across NHS GG&C with responsibility for complaints investigations. At the seminar a number of SPSO staff, including several of our clinical advisers, shared information about the how and the why of our ways of working and answered participant questions.

These actions, supported by the enthusiastic project group, have already resulted in improvements to the accuracy and timeliness of our interactions with GG&C and we will continue to build in these positive developments in 2020-21.

*“After initially being a little apprehensive about what the supported improvement process would entail, we found SPSO colleagues to be very supportive and encouraging, and they worked with us in a collaborative way. The end result was a tangible and sustained improvement.”*

COMPLAINTS MANAGER, NHS GREATER GLASGOW & CLYDE

*“We very much welcomed the positive and constructive engagement from NHS GG&C, working with our Improvement, Standards and Engagement team to achieve learning and improvement in relation to complaints handling across the organisation.”*

DIRECTOR, SPSO

## Sharing learning from complaint outcomes

In 2019-20, we shared our findings and learning with organisations and the wider public through:

- summaries of all our decisions published on our website
- a monthly e-newsletter which signposts to our decision summaries and highlights trends and learning
- working with a variety of stakeholders such as Healthcare Improvement Scotland (HIS), sharing anonymised data to inform a wider view of public service delivery across Scotland
- publication of SWF case studies on our website

# Stakeholder engagement

Through our Improvement, Standards and Engagement team, we engaged with a range of stakeholders and organisations to provide support and advice, drive improvements in standards of complaints handling and contribute to public sector improvement.

The team participated in 85 meetings and events this year. This is in addition to the events and meetings in which the Ombudsman was personally involved. This compares to 76 in 2018-19 and 66 in 2017-18.

Engagements included:

- complaints handlers' network groups
- local government benchmarking sub-group
- Scottish Government openness and learning event
- Patient Advice and Support Service (PASS)/NHS Complaints Personnel Association Scotland (NCPAS) events
- direct contact with:
  - NHS boards to discuss local complaints handling arrangements
  - Regulators to discuss business related complaints arrangements

We also welcomed numerous visitors to our office wanting to learn more about our work and the Scottish approach. These included: The Protector of Citizens of the Republic of Serbia, the John Smith Trust (a fellow from Azerbaijan), the University of Groningen (study association for constitutional and public law), NHS England (particularly our work in sharing intelligence and providing support in complaints handling matters to boards in Scotland), and the Public

Service Ombudsman for Wales and the Parliamentary & Health Service Ombudsman in relation to our training courses.

We are a member of a number of sector, interest and working groups, including:

- Health Improvement Scotland Sharing Intelligence Group, working with partner scrutiny agencies to share intelligence in relation to different health boards on a regular basis
- Scottish Water Output Monitoring Group
- Our Director is a member of the Administrative Justice Council (AJC) and Administrative Justice Council Steering Group (AJCSG). During the year, she attended three group meetings and she and/or the Ombudsman attended three AJC meetings.

## SPSO training

Our training unit provides both direct delivery and online training. We delivered 45 training courses across all sectors, an increase of 22% on the previous year's total of 37.

Our direct delivery training courses are available to a broad range of public sector organisations. They provide practical good complaints handling, and are flexible in their approach to meet the needs of the attendees. For example, we can adapt training content for organisations who have specific outcomes they wish to achieve, or where there are particular sectoral challenges.

The breakdown of courses delivered was:

- 25 Complaint Investigation Skills courses
- 12 Good Complaint Handling courses
- 8 Managing Difficult Behaviour courses.

Unfortunately, seven direct delivery training courses that were scheduled to be delivered in March 2020 were cancelled as a result of COVID-19.

In 2020-21, our training unit will focus on developing new training products to support the updated MCHP and the introduction of the INWO function. This, and the impact that we have experienced as a result of COVID-19, will result in fewer direct delivery courses being delivered in the first half of the business year.

For more information about the training we offer, please visit our website<sup>5</sup>.

## Complaints Improvement Conference

In February 2020, we hosted our bi-annual complaints improvement conference at Tynecastle Park, Edinburgh. This year's theme was the launch of the updated MCHP. We welcomed 180 attendees, and several guest speakers to the event.

The conference was opened by the Ombudsman, who delivered the keynote address. Throughout the day, we had speakers and held workshops covering a range of issues, including the revision to the MCHP, the new approach to 'resolution', the use of mediation as an alternative approach to dispute resolution,

supporting vulnerable people through the complaints process, developing policies to support staff and dealing with challenging behaviours.

Feedback from attendees indicated that the event had added value in the way that complaints are handled and investigated. We are extremely grateful to everyone who contributed to and supported the delivery of this year's conference; in particular the expert and knowledgeable contributions from Hirstworks, the Scottish Mediation Network, the University of Glasgow, Queen Margaret University, Anderson Strathern legal services, Tynecastle and, of course, the input and organisation provided by our own committed team and colleagues.

## Scottish Welfare Fund engagements

Our SWF team also engaged with stakeholders during 2019-20 by:

- delivering workshops to two local authorities following requests for some guidance in response to findings
- visiting a large local authority to meet with their new management team and to discuss recurrent findings
- delivering training to the MS Society
- participating in the customer service week event for third-sector advisors
- presenting at an event for welfare rights officers
- attending a Practitioners' Forum for SWF decision makers
- attending a meeting of the Ombudsman Association First Contact group, to share a new efficiency initiative.

<sup>5</sup> [www.spsos.org.uk/training](http://www.spsos.org.uk/training)

## Parliamentary appearances and public consultations

The scope of our remit gives us a unique perspective on the delivery of Scottish public services. We continue to share the learning from investigations and complaint handling monitoring through our responses to inquiries and consultations undertaken by the Scottish Parliament and Government and others.

In 2019-20, our contributions included responses to the Scottish Government's consultations 'Legal Aid Reform in Scotland' and 'Environmental Principles and Governance in Scotland'; and the Health and Sport Committee's inquiry 'What should primary care look like for the next generation?'

We also gave evidence and provided responses to Parliament and the Health and Sport Committee in relation to the Independent National Whistleblowing Officer role, the draft Whistleblowing Principles and Standards, and the draft whistleblowing order.

Further information is available on our website<sup>6</sup>.

Additionally, we gave written evidence to the Petitions committee in connection with a petition on higher education<sup>7</sup> and on complaints handling where we supported aspects of the petition which sought to allow us to take complaints in any format<sup>8</sup>.

We also had our regular annual appearance before Parliament on 29 January 2020<sup>9</sup> and followed up by letter regarding changes to our legislation<sup>10</sup>.

45 training  
courses  
delivered



6 [www.spsso.org.uk/policy-work](http://www.spsso.org.uk/policy-work)

7 <https://www.parliament.scot/GettingInvolved/Petitions/HigherEducationinScotland>

8 <https://www.parliament.scot/GettingInvolved/Petitions/PE01740>

9 <http://www.parliament.scot/parliamentarybusiness/report.aspx?r=12494>

10 [https://www.parliament.scot/S5\\_Local\\_Gov/20200305\\_FromSPSOtoLGCC.pdf](https://www.parliament.scot/S5_Local_Gov/20200305_FromSPSOtoLGCC.pdf), [https://www.parliament.scot/S5\\_Local\\_Gov/202000428FromSPSOtoConvener.pdf](https://www.parliament.scot/S5_Local_Gov/202000428FromSPSOtoConvener.pdf)

# Customer service

We are committed to providing high-quality services that meet or exceed our customer service standards<sup>11</sup>. The Standards set out our service delivery commitments and what can be expected from us. We review feedback we receive continually; this includes information from user satisfaction survey responses, customer service complaints, compliments and unsolicited feedback.

*"I wish to take this opportunity to express my thanks to you for the sensitivity and courtesy with which you carried out the interview with myself and family member during this process. I would also thank you for assiduously keeping us informed by email of the progress of the long investigation. Thanks also must be extended to the medical adviser for the thoroughness of their investigation."*

Complainant

*"I was feeling really anxious but they put me completely at ease and took a lot of notes about why I didn't agree with the council."*

Complainant

*"We acknowledge that the investigation has taken a considerable amount of your time and we greatly appreciate how thorough you've been throughout. As a family, we look forward to putting this bad experience behind us, and moving forward in a positive way."*

Complainant

*"Thank you very much for replying to my request for the community care grant. I am thoroughly delighted and grateful for your help and understanding of my predicament and how you reached the decision."*

SWF applicant

*"What you guys do is amazing. I have used the service before and I just want to thank you so much."*

SWF applicant

*"Great outcome for the family. They will be delighted. Thank you for your patience and support."*

SWF applicant's adviser

## Customer service complaints

We hold ourselves to the same high standards as we hold public bodies. Our customer service complaints (CSC) process is the same as the MCHP, except instead of signposting to the Ombudsman, we have a contract in place with an independent customer complaints reviewer to whom we signpost complainants.

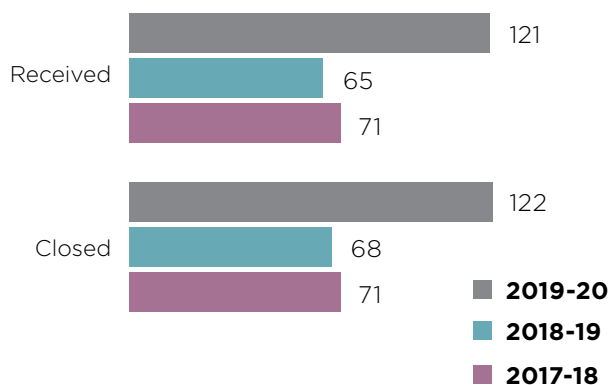
We identify and record complaints about our service, and are committed to learning from them to put things right or drive improvement where needed.

<sup>11</sup> <https://www.spsso.org.uk/our-customer-service-standards>



## Annual statistics for customer service complaints 2019-20

### Customer service complaints - total (all stages)



### Customer service complaints - 2019-20 breakdown

	Received	Closed
Stage 1 - Frontline resolution	74	74
Stage 2 - Investigation & escalated complaints	47	48
<b>Total</b>	<b>121</b>	<b>122</b>

Where a difference exists in the number of cases received in the year and the number of cases closed in the year (as is the case in 2018-19 and 2019-20), this is due to cases being received in the previous year, but closed in the following year.

This year we held a number of awareness sessions with our staff to raise the profile of our service standards and to encourage all expressions of dissatisfaction about the way we provide our service, to be recorded as service complaints. We also empowered our staff to handle and work to resolve these complaints as close to the point of service delivery as possible. In taking these steps, we anticipated that the number of service complaints we recorded this year would increase. We consider this to be a positive outcome in response to increasing awareness, demonstrating that we value complaints and holding ourselves to high customer service standards.

### Customer service complaints outcomes during the year 2019-20

2019-20	Upheld	Not Upheld	Total	% upheld	% upheld 2018-19	% upheld 2017-18
Stage 1 - Frontline resolution	32	41	73	44%	29%	14%
Stage 2 - Investigation & escalated complaints	12	33	45	27%	19%	38%
<b>Total</b>	<b>44</b>	<b>74</b>	<b>118</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>

Numbers do not total the closed figures as withdrawn complaints are not included in the uphold rate calculation.

**Timescales**

We aim to respond to complaints in line with the timescales set out in the MCHP. The timescales to close complaints are:

- 5 working days at stage 1
- 20 working days at stage 2
- 20 working days for 'escalated' complaints



**Performance against the timescales in 2019-20**

2019-20	Met timescale (cases)	Did not meet timescale (cases)	Total number of working days	Average time in working days to close
Stage 1 - Frontline resolution	90	11	309	3.0
Stage 2 - Investigation & escalated complaints	38	10	657	13.7

*Complaints response times set out in the MCHP*



## Summary of complaints outcomes and service failures

The two main reasons we upheld CSCs were delays in progressing work (particularly complaints about public bodies), and a failure to communicate effectively. These are issues that we are now looking into, to understand the specific causes so we can put in place improvement measures where possible. They also inform resource levels and planning, as what was evident is many of the delays were the result of lack of resources to progress work.

## Independent Customer Complaints Reviewer

Where a customer remains unhappy with either the decision we make on their CSC or the way we handled it, they can ask the Independent Customer Complaints Reviewer (ICCR) to review our handling of the complaint and the decision(s) we made.

During the year, 19 service complaints were sent to the ICCR. Fourteen were determined and closed, two customers withdrew their complaint, and three were still being considered at the end of the year.

One of these was upheld, that had not previously been upheld by the SPSO. There were four elements to the upheld complaint, three of which were upheld and for which we apologised. In the other complaints, the ICCR found no evidence of a service failure by SPSO, or a failure by SPSO to handle the service complaint effectively.

In July 2019 and January 2020 the ICCR also reviewed two random samples of CSCs. These samples consisted of 20 CSCs handled by SPSO but not escalated by the customers to the ICCR.

The findings from these random reviews of service complaints closed by SPSO concluded:

- there is continuous improvement in SPSO customer service file management that the ICCR could see from their random reviews to date
- SPSO customer service communications randomly reviewed came across as accurate, plain and clear
- SPSO's customer service decisions were fairly handled by SPSO

The ICCR's annual report can be read on our website<sup>12</sup>.

12 [www.spsa.org.uk/service-standards-performance](http://www.spsa.org.uk/service-standards-performance)



# Managing the organisation: openness and transparency

## Freedom of information and environmental information

	2019-20	2018-19
Information requests received	148	169
Information requests handled	151	164
Review requests received	11	6
Review requests handled	12	6
Appeals to Scottish Information Commissioner (SIC)	3	0

Overall, we continue to see high request numbers (with a notable reduction in quarter 4). From the information available on the Scottish Information Commissioner’s statistics database, in comparison to the 89 other public bodies in the same sector as the SPSO (others e.g. non-departmental public bodies) that submitted data we received:

- the third highest number of Freedom of Information (FOI) requests
- the tenth highest number of Environmental Information Requests (EIR).

### Outcomes

- We carried out nine FOI reviews, and one EIR review, where we upheld our original decisions. A further two FOI requests for review were invalid or withdrawn

- We received three decisions from the Scottish Information Commissioner (SIC) relating to:

1. our failure to respond to a request for review where we had no record of having received the request for review email (upheld by the SIC).
2. a request for the name of an adviser on a case. The SIC decided that we were entitled to withhold the information on the basis that disclosure was prohibited by other legislation.
3. refusal of a request due to excessive cost where the SIC decided we were entitled to do so.

- 98% of FOI requests and 100% of FOI review requests were responded to within the statutory timescale
- 99% of FOI requests were responded to within 30 working days
- 100% of EIR requests were responded to within the statutory timescale.

### Publication scheme

The SPSO reviews our Publication Scheme to ensure that we are publishing information in line with the SIC’s Model Publication Scheme and guidance.

## Data protection

We continually review our approach to ensure we meet data protection best practice and to support all staff. Where we identify a need we take action to improve procedures. All of our staff receive regular data protection training.

Our data protection officer, who is independent of the SPSO, is assured, and provides us with assurance, that we continue to provide robust data protection compliance measures, in line with data protection requirements.

## Subject Access Requests (SARs)

	2019-20	2018-19
SARs received	104	102
SARs handled	107	100
SAR review requests received	5	8
SAR review requests handled	3	8
Appeals to UK Information Commissioner	0	1

We continue to see high request numbers (with a notable reduction in quarter 4). From the information available on the SIC's statistics database, in comparison to the 89 other public bodies in the same sector as the SPSO (others e.g. non-departmental public bodies) that submitted data, we received the second highest number of SARs.

## Outcomes

- we reviewed three SARs where we upheld our original decisions
- there were no decisions from the UK Information Commissioner Office (ICO)
- 85% of SARs were responded to within the statutory timescale in 2019-20
- 91% within 40 calendar days

Higher numbers, complexity, increased public body requests to redact staff information, and lack of resources continue to impact on our ability to meet targets.

## Data security

We reported one personal data security breach to the ICO regarding the accidental disclosure of a complainant's personal information. The ICO decided that they did not need to take any action.

We have clear guidelines governing how we handle data. There is an established, mandatory process for recording and investigating actual and potential breaches in data security, and any identified risks are mitigated as far as possible.

Our Information Governance handbook is available online<sup>13</sup>.

<sup>13</sup> <http://www.spsso.org.uk/spsso-policies>

# Managing the organisation: our team

Our objective is to be acknowledged for having well trained, properly supported people, who have the tools they need to deliver our services. We strive to have the capacity, financial, human and infrastructure, to implement and deliver our statutory functions.

In 2019-20 we:

- maintained Living Wage Employer accreditation
- re-established our organisational values (also see page 7)
- commenced a review of our competency and behavioural framework underpinned by our values
- began preparation for the Independent National Whistleblowing Officer function with the development of new roles and recruitment for the team
- reviewed our organisation structure to meet the increased requirements of an extended jurisdiction
- supported colleagues to work flexibly so they can balance their working lives with their other responsibilities
- encouraged and supported our colleagues to learn and develop their skills and leadership through a structured learning and development programme
- continued to invest in the resilience and flexibility of our digital services
- maintained our Investors in People gold status

## Our people

Our workforce was an average of 64 FTE for 2019-20. We have been growing with each new jurisdiction added to the Ombudsman's statutory responsibility. Our current recruitment drive for 2020 is to prepare for Scotland's new Independent National Whistleblowing Officer function.

A focus of our recruitment in the past year was on intern placements, working with Inclusion Scotland. We continue to monitor our approach to recruitment so that it follows good practice across all diversity and equality strands.

On 31 March 2020, the ratio of females to males in the organisation is 75:25 FTE (not including seconded and temporary staff). Two of the three members of our leadership team and 87.5% of our management team are female.

## Training and development

We continued to meet the people development needs of the organisation through a range of activities. Learning and development activities were delivered around key areas including:

- mandatory training (e.g. Health and Safety, GDPR, Cyber security)
- specific subject matter learning events (e.g. investigation skills, vulnerability, wellbeing)
- in response to the development needs identified as part of individual personal development plans and as learning opportunities.

## Investors in People accreditation

SPSO achieved Investors in People (IIP) accreditation recognition in 2011 and has maintained a **gold** accreditation status since February 2017. Accreditation status is reviewed on a three-year basis, with a formal activity undertaken on an annual basis. SPSO's formal reaccreditation took place in March 2020.

Findings indicate that there is a stringent but supportive recruitment process and once people are recruited to the organisation they are clear about their roles and responsibilities; they receive a strong foundation and support through the induction process through to employment policies, procedures, performance management process and structured learning and development that supports individual and organisational needs.

People have a clear and consistent understanding of the SPSO vision, values, aims and objectives, developed through the involvement of all in the business planning activities and the introduction of Communities of Practice groups providing people with an additional opportunity to make a positive contribution to the SPSO aims, objectives and long-term sustainability.

People recognised the effectiveness of change management with the success of the office move being cited as a key example of this.

Recommendations for ongoing improvement included aligning our values, behaviours and management capabilities, and additional measurement of the impact of learning and development and people management practices on organisational objectives and performance indicators.

## Staff survey

The SPSO conducts an annual staff survey and the summary reports are published on our website.

### Highlights:

- the response rate was 84%
- scores improved in 10 out of 59 comparable questions
- the most improved scores were under the theme of management
- the majority of scores were over 70% positive.

Each year the staff survey results, along with our IIP assessment findings, are combined to create an annual action plan to ensure we maintain our focus on commitment to building a people-centred organisation.

## Staff survey highlights



**84%**  
response  
rate

**17%**  
of questions  
had improved  
scores

**70%**  
Most scores  
were over 70%  
positive

## Communities of Practice and working together

A number of staff-led, cross-team working groups were set up over the last year to promote and support interaction, cooperation and knowledge sharing across the organisation. The groups established include Communities of Practice, Health and Wellbeing, Internal Communications, Charities and Climate Change groups.

## Community, social and human rights

Many of our staff are involved in community and social rights engagement activities outside of work, including, for instance, volunteering for:

- the Children's Panel
- the Law Society of Scotland's Regulatory committee
- Education Appeal Committee, Midlothian Council
- Fresh Start, a charity helping previously homeless people who have been offered a tenancy assistance to move into their new home

## International Women's Day

For the third year running, we celebrated International Women's Day in March 2020. We invited three excellent, interesting and engaging speakers to talk to us: Arancha Arnal, Associate Engineer, Blyth & Blyth; Elaine Morrison, Owner, Brochan Café; and Gabriela White, SPSO Inclusion Scotland Intern.

Our colleagues chose several nominated charities to support:

- Kids Love Clothes
- Mental Health Foundation
- Families Outside
- Homeless Period Edinburgh
- Edinburgh and Lothians Greenspace Trust

So far, we have donated clothing, toys, period products and raised £450 in bake sales and direct donations.

Many colleagues also took part in a team distance walking competition for National Walking Month and Climate Awareness Week.





# Managing the organisation: governance

## Governance and risk

As Accountable Officer, the Ombudsman has responsibility for maintaining a sound system of governance and internal control that supports the achievement of organisational policies, aims, and objectives, whilst safeguarding public funds and the organisation's assets for which she is responsible. The Scheme of Control outlines the arrangements in place to assure good governance practices are followed. This is published in our finance handbook<sup>14</sup>.

The Ombudsman is supported by the Advisory Audit Board (AAB), which provides advice about risk, assurance, audit quality and governance. The committee receives internal and external audit reports and the annual accounts. Our external auditors are appointed by Audit Scotland.

Risk is managed actively through a risk management policy that sets out the approach to risk management for the delivery of strategic aims. The most significant strategic risk to the organisation in 2019-20 remained the adequacy of resources to provide a quality service that delivers our statutory functions, in particular our complaint handling and SWF review services, within an acceptable timescale. The majority of the SPSO's workload is demand-led. Consequently, the number and complexity of complaints, enquiries, and SWF review applications received is outside our control and

fluctuates. The leadership team monitor this closely and focus carefully on financial and workforce planning.

Further details on the SPSO governance arrangements can be read in our full accountability report<sup>15</sup>.

## Quality Assurance

We ensure quality by having systems of management checks in place and through a quality assurance (QA) programme carried out by the corporate services team, independently of the case handling teams. We quality assure our complaints, SWF work and the professional advice we receive from our advisers. All QA findings are fed back to individuals, teams and managers to share learning and make improvements where needed.

## Bridgeside House accommodation

After we relocated to Bridgeside House, Edinburgh in December 2018, we settled fully into our new accommodation this year. The office move enabled us to enter into a co-location arrangement with the Scottish Human Rights Commission (SHRC) and the Children and Young People Commissioner Scotland (CYPCS), providing the opportunity to share common space areas such as the boardroom and training facilities as well as to share some staffing and other resourcing costs.

<sup>14</sup> <https://www.spsos.org.uk/spsos-policies>

<sup>15</sup> [www.spsos.org.uk/finance](http://www.spsos.org.uk/finance)

## Environmental and sustainable development

We continue to reduce our level of carbon emissions year-on-year. We have reduced our carbon footprint by 35% against our 2015-16 baseline, and by more than 45% since 2009-10 (85.3 CO<sub>2</sub> T).

Within the Bridgeside House shared accommodation arrangement, SPSO have responsibility for reporting on the waste and energy carbon emissions for all three organisations. We also report the emissions from business travel for SPSO. The new facilities have enabled us to continue to reduce the total emissions for all three organisations, even when compared with SPSO sole output in previous years. These equate to less than 0.55 (tCO<sub>2</sub>e) per FTE employee or 0.01 (tCO<sub>2</sub>e) per square metre (m<sup>2</sup>) floor space we occupy.

Due to the COVID-19 lockdown, the scope 3 figures for 2019-20 do not include emissions from business car travel for SPSO. In previous years, emissions from car travel accounted for approximately one to 2% of SPSO’s total carbon emissions. The figures will be adjusted when 2019-20 business car emissions can be calculated.

Further details of these reductions are in our sustainability reports on our website<sup>16</sup>.

16 <https://www.spsso.org.uk/sustainability-reports>

## Biodiversity

The Nature Conservation (Scotland) Act 2004 places a statutory duty on all public sector bodies in Scotland to further the conservation of biodiversity and the Wildlife and Natural Environment (Scotland) Act 2011 by introducing a requirement for all public bodies to make a report publicly available on their compliance with biodiversity duty. Biodiversity duty reports are required every three years. We report on biodiversity bi-annually<sup>17</sup>.

SPSO does not own or manage land and therefore has limited opportunity to carry out activities for biodiversity than organisations that own or manage land. We support biodiversity through:

- reducing our carbon footprint
- minimising waste and reducing waste to landfill through recycling
- reducing the total kilometres we travel on business and choosing more sustainable travel options
- raising awareness of biodiversity and sustainability issues.

17 <https://www.spsso.org.uk/sustainability-reports>

Scope	1 Gas	2 Electricity	3 Waste, transport and water usage	Total tCO <sub>2</sub> e
2015-16 - baseline	27	34	11	72.0
2016-17	29	32	10	71.0
2017-18	25.6	26.1	8.2	59.9
2018-19	16.5	27.7	9.9	54.1
2019-20 - SPSO plus CYPSC and SHRC (shared accommodation in Bridgeside House)	18.4	20.5	7.9	46.8
<b>% improvement</b>	<b>32%</b>	<b>39%</b>	<b>28%</b>	<b>35%</b>

## Information and communications technology (ICT) and cyber security

Digital technologies are an important tool underpinning our service, and we manage these closely to protect the personal data and sensitive information we hold and use, and ensure our systems are robust and resilient. Continued cyber-attacks on organisations have highlighted the importance of, and reliance on, digital systems. Digital technology offers transformational opportunities, but also increases dependence on digital services for the delivery of our work.

The importance of cyber resilience has never been greater, and in 2019-20, we continued implementing the Cyber Resilience Public Sector Action Plan, achieving Cyber Essentials accreditation in November 2019. SPSO utilise SCOTS Connect to host our network services to provide a safe and secure digital environment. SCOTS is the name for the Scottish Government's range of managed IT services and products that hold Cyber Essentials Plus accreditation. Our emails are sent over the secure Public Services Network (PSN) and all traffic is scanned for inappropriate or harmful content, which protects our systems, people and data.

In 2019-20, we undertook major improvements to our ICT infrastructure to ensure we continue to operate in an efficient and secure IT environment. We moved our non-casework electronic documentation to a new electronic records and document management system, which includes functionality for secure sharing of electronic information with external partners. We also moved our casework management system to a secure cloud platform, which brings additional flexibility and resilience.

During the 2020 pandemic lockdown, a combination of secure portable devices and remote access to our casework management system meant that SPSO staff were able to continue working effectively and securely from home while the office was closed.

## Accessible service

We strive to make our service as accessible as possible for all users and make regular improvements to ensure we operate according to best practice in accessibility.

### IDEA group

Last year we established a Community of Practice, which aims specifically to look at accessibility issues, called the IDEA Group (Inclusion, Diversity, Equalities and Accessibility); it is made up of staff from across the organisation.

This year the group developed guidance to support us in considering complaints from complainants with vulnerabilities. As an organisation, we are committed to ensuring that all service users have an equal opportunity to access our services. We recognise our duties under the Equality Act 2010 to promote equality of opportunity for all. As such, it is important that we identify and take into account equality and diversity considerations when designing our processes and undertaking casework. We know we have a legal obligation to make reasonable adjustments for complainants for whom communication may be a barrier, and want to make sure we comply with this, and where possible go beyond it.

This year, we made reasonable adjustments in 130 cases, mainly relating to the mode of communication, requests for large print materials and translations

into other languages, and additional time for responses by the complainant.

Over and above considerations of equality and diversity matters, we are mindful of a complainant's vulnerabilities. Types and levels of vulnerability can vary from person to person and may be influenced by situational circumstances linked to the complaint. This ties in directly to our customer services standards, in particular our commitment to communicate effectively with the people who use our service.

Actions we can take in individual cases where vulnerabilities exist may include, but are not limited to:

- fast tracking individual cases
- prioritising individual cases within our own caseloads
- managing expectations clearly from the outset
- identifying and signposting to sources of support
- changing how we communicate with someone, for example how we contact them and how often.

Our *Complainants with vulnerabilities* guidance is available on our website<sup>18</sup>.

In recognition that our service users' needs and circumstances can change while considering or investigating their complaint, the IDEA group also reviewed customer communication touch points. A number of improvements were made to leaflets and letters that we issue to ensure that we are reminding people that we can make adaptations to how we communicate at any point.

### **Inclusion Scotland internships**

This year we recruited two interns via the Inclusion Scotland *We Can Work* scheme, which provides disabled people with valuable paid work experience to help them develop their careers, by offering increased flexibility and support in the workplace. One intern was employed in our Assessment and Guidance team in an administrative role. The other, a graduate intern, in our Communications team, who conducted a research project reviewing the entire communications journey that a complainant would go through when accessing the SPSO complaints handling service, and making recommendations on how to improve our communications according to best practice principles. The findings from this study will be evaluated and implemented in 2020-21.

Apart from the benefits that the *We Can Work* scheme offered to our interns and from the valuable work they produced on behalf of SPSO, this was also an excellent opportunity for all our staff to learn from the lived experiences of disabled people in Scotland.

We are grateful to both our interns for their excellent contributions.

### **British Sign Language (BSL) plan**

After having published our first BSL plan last year, we continued on its implementation in 2019-20. We produced our first video content and had staff attend further video production training to enable us to scale this up in the coming year.

<sup>18</sup> <https://www.spsso.org.uk/how-we-offer-support-and-guidance>

## Equalities

When people make complaints, we ask them to complete a form that helps us monitor if there are groups of people who are under-represented among our complainants. This year, as has been the case for some years now, our analysis of this data showed that there has been little significant change in the people who come to us.

This means that complainants remain broadly representative of the population in terms of ethnicity; although this year we received complaints from marginally more men than women (that proportion varies slightly every year). The demographic profile of our users remains older than the country's population because few children or young people bring complaints to us directly. A significant proportion of those who complain to us are in the 40–60 years age range, and this reflects that we often see people bringing issues to us that are not only about services they have received themselves, but on behalf of those for whom they have caring responsibilities.

For the last couple of years, the evidence from our monitoring work has consistently shown that we have a higher proportion of people reporting they have a disability that affects them long-term. At over 40%, this is a relatively significant proportion of our users and that is reflected in the work we do to ensure we take a proactive approach to accessibility, as described above.

While we cannot determine whether or not an individual's rights under equalities legislation have been formally breached, we can comment on the appropriate consideration of such rights if we find failures while investigating complaints. Two examples of this work, which we publicly reported on in 2019-20, demonstrated the need for public organisations to ensure that they implement adjustments properly when they agree these are needed:

- Decision report 201700430<sup>19</sup>
- Decision report 201806224<sup>20</sup>

## Gender-neutral drafting

In 2019-20, we adopted the Government's recommendations on gender-neutral drafting and started writing our decisions in gender-neutral style where possible. Removing gender specific titles and pronouns contributes to our 'privacy by design' approach, further protecting the privacy of the complainant and anyone involved in a complaint. While our complaints reviewers exercise discretion when issuing decisions (for instance, if a case is too complex and involved various people), the gender-neutral writing will be applied consistently across decision summaries from next year 2020-21.

<sup>19</sup> <https://www.spsa.org.uk/decision-reports/2019/october/decision-report-201700430-201700430>

<sup>20</sup> <https://www.spsa.org.uk/decision-reports/2020/march/decision-report-201806224-201806224>

## Financial position

### Sources of funding

Total funding received was £5,001K. This included:

<b>£4,447K</b>	Scottish Parliament SPSO budget
<b>£219K</b>	Scottish Government funding, drawn down through Scottish Parliament in addition to the approved budget, for the set-up and preparation for the new Independent NHS Whistleblowing Officer (INWO).
<b>£335K</b>	Scottish Parliament Bridgeside House shared accommodation budget managed for CYPCS, SHRC and SPSO

### Expenditure

<b>£4,162K</b>	Expenditure on staff costs
<b>£289K</b>	Fees and expense paid to firms
<b>£360K</b>	Other SPSO operating expenditure
<b>£376K</b>	Bridgeside House shared accommodation expenditure managed for CYPCS, SHRC and SPSO

### Review of financial performance

We are required to produce annual accounts detailing the resources acquired, held or disposed of during the financial year and the way in which they were used. The Scottish Public Services Ombudsman has been appointed as Accountable Officer and is responsible for the preparation of these accounts. The following notes provide a summary of our financial performance in 2019-20. For more information about how we managed our finances, please see our full financial statements<sup>21</sup>.

Expenditure on SPSO activities were within 2% of the budget. People costs represent 80% of SPSO's total operating expenditure. There was a £100K budget overspend of staffing, due mainly to statutory or contractual obligations for our people

costs; including to meet the significant unknown past service pension costs associated with the McCloud judgement and Guaranteed Minimum Pension, pay alignment exercise to bring pay scale journey times into line with equalities obligations, and the cost of living pay award.

Fees and expenses paid to external firms were £104K less than budget, but the other operating expenditure was £13K more than budget. This was mainly due to increased expenditure on the production of documents for the new/revised Model Complaints Handling Procedures.

Bridgeside House shared accommodation costs were £41K over the allocated budget. This is primarily due to it being the first full year in the building, therefore, there were council tax increases following revaluation, and a service charge adjustment which could not have been foreseen.

The increase in trade and payables was largely as a result of an increase in rent accrual of £173k (including an adjustment for VAT) following an initial 12 month rent free period that ended in December 2019, as part of a five year lease arrangement. In agreement with the Scottish Parliament Corporate Body (SPCB), SPSO absorbed the £122K of the overspend by a planned reduction of its end of year cash balance to £7K. This was planned and agreed with SPCB direction.

### Resources required for 2020-21

The 2020-21 budget was approved by the Scottish Parliament with revenue resources totalling £5,169K.

<b>£4,610K</b>	Scottish Parliament SPSO budget
<b>£559K</b>	Scottish Parliament Bridgeside House shared accommodation budget managed for CYPCS, SHRC and SPSO

In addition, SPSO have agreed funding for INWO up to a maximum of £960K.

21 [www.spsso.org.uk/finance](http://www.spsso.org.uk/finance)

# Independent National Whistleblowing Officer

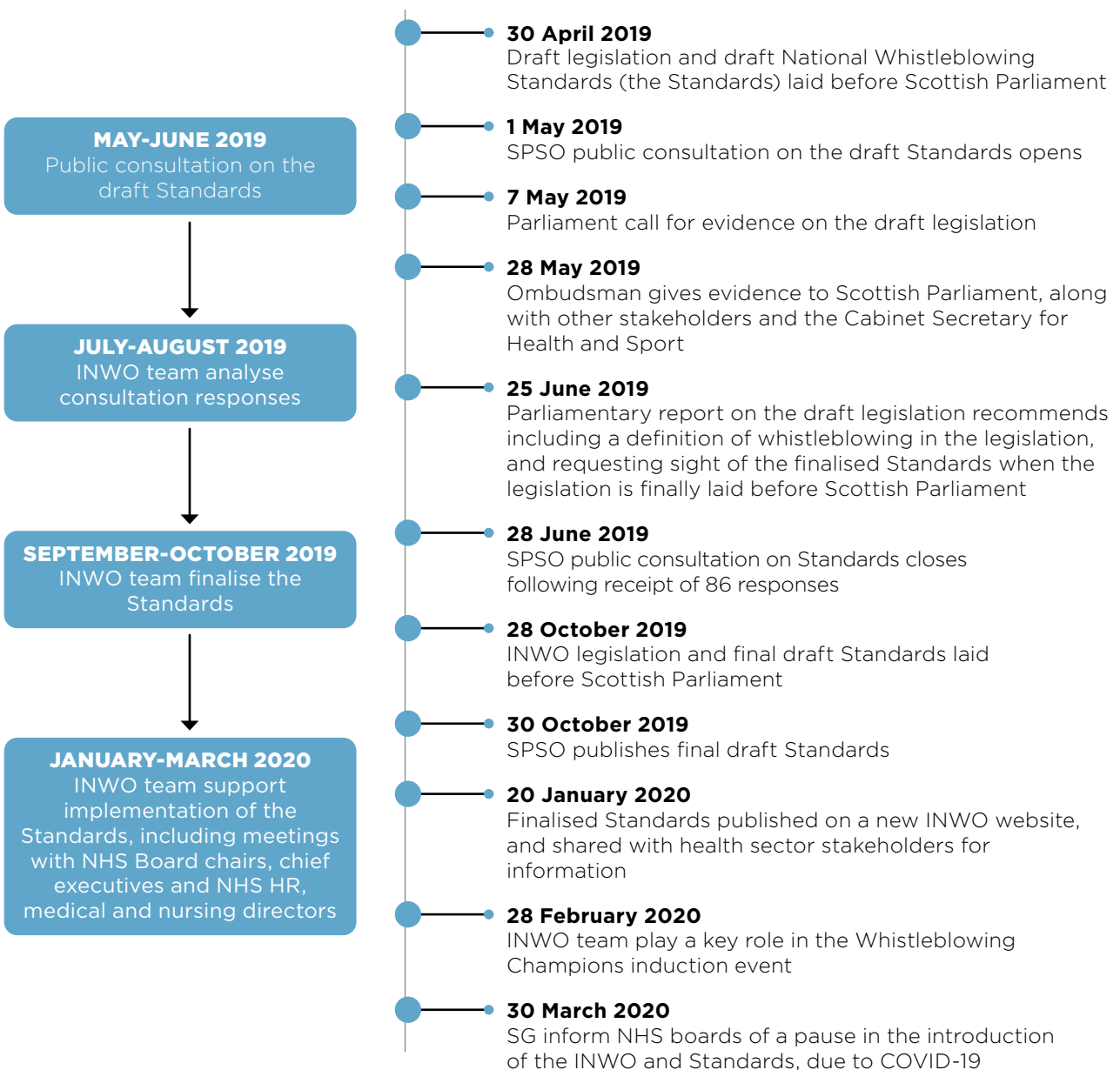
We have made significant progress in preparing for the role of Independent National Whistleblowing Officer (INWO) for the NHS Scotland as set out in the timeline below.

Our team continues to work closely with our partners in the Scottish Government (SG), and we are now in a strong position for the Ombudsman to take on the role

of INWO. We are currently focusing on establishing a go-live date and supporting the NHS to prepare.

There is, as a result of the impact of COVID-19, uncertainty about when the function will go-live, and we are ever mindful of the pressures on the NHS both as a result of COVID-19 and the need for them to prepare for the usual winter flu season.

## Milestones



# Looking ahead

Little did we think that this year one of the things we would be looking forward to would be the same as last year; INWO. We recognise that COVID-19 and lockdown will have long-reaching impacts, not all of them foreseeable, but equally we remain committed to delivering our statutory functions.

## Business plan

We have issued a 2020-21 business plan<sup>22</sup>, setting out how we aim to deliver our strategic aims. We took the decision to reflect what we knew at the time and could reasonably predict, but to still commit to trying to complete other work that adds value to our stakeholders and us. We are still focused on long-term outcomes, recognising that they may have to be delivered differently or we may have to change priorities, particularly in relation to resources. By setting out our intentions in our business plan, we have given ourselves a baseline to assess the actual impact of COVID-19.

## Independent National Whistleblowing Officer

At the time of writing, we are confident the INWO will not go live as planned in July 2020. We have been consulting with the Scottish Government and other stakeholders about what would be the best time, recognising that there will be no ideal time. We are considering the impact on the NHS of lockdown easing, the impact of the usual winter flu season and the need to prepare for a possible second wave of COVID-19. We are equally mindful of the need to ensure that support to enable the NHS to adopt the new Whistleblowing Standards is in place.

A date has not yet been confirmed.

<sup>22</sup> <https://www.spsso.org.uk/corporate-planning>

## Lockdown easing, casework and performance management

Lockdown will impact on all areas of our business, for years to come, not just now. We recognise it is important not only to cope with lockdown and keep delivering our business but also to learn for the future in terms of how we investigate, how we work differently and how we keep our services accessible. For example:

- for SWF, we are gaining insight into how effective Scottish Government Statutory Guidance is, and how important it is to ensure there is a clear process to amending it in times of uncertainty and business interruption
- for public service complaints, we are looking specifically at what changes this will make to our workloads and whether there will be more complaints about single issues (such as delay to elective surgery) which we can investigate more proportionately and quicker
- for our Improvement, Standards and Engagement team, we are considering what support we can provide to public bodies, at the same time ensuring they continue to deliver their statutory complaint handling duties to an acceptable standard.

We will look for the opportunities lockdown has presented us with. Equally, we will ensure that our own emergence from lockdown remains supportive of staff wellbeing, manages risk and maintains output to an acceptable level.

We will continue to quality assure our work, review our own procedures and support public bodies in their own journeys out of lockdown. Underpinning all of this will be our commitment to our values of people-centred, fair, independent and learning and improvement.



# ACCOUNTABILITY REPORT & FINANCIAL STATEMENTS

# Corporate governance report

## 1. Ombudsman's report

### Background

These accounts for the financial year ended 31 March 2020 are presented in accordance with the Accounts Direction given by the Scottish Ministers, in pursuance of paragraph 15 (1) of schedule 1 of the Scottish Public Services Ombudsman Act 2002.

### Leadership team

- Ombudsman
- Director
- Head of Improvement, Standards and Engagement

### Register of interests

The Ombudsman, Director, and Advisory Audit Board (AAB) members publish declarations of interest on the SPSO website with their biographies. Declarations of interest of other staff are held on the relevant case where required in accordance with the SPSO Code of Professional Conduct.<sup>1</sup>

### System of internal control

A Scheme of Control<sup>2</sup> and Scheme of Delegation are in place and are periodically reviewed, as required by the Scheme of Control, and amended as necessary to ensure principal risks to the achievement of the organisation's objectives are managed efficiently, effectively and economically. An Annual Report disclosure guide and statutory accounts checklist have been completed for 2019-20 to inform the assessment of the Ombudsman's governance arrangements, from the assurance framework established with the Scottish Public Finance Manual (SPFM).

### Provision of information to employees

We have adopted the principles of openness and participation and place a high level of importance on both informing and consulting staff. We do so by providing access to management papers, through oral and written briefings, by regular staff meetings and events. Information is only withheld where this can be shown to be justified or where a duty of confidence is owed to a third party.

<sup>1</sup> Our declarations of interest are published here: <https://www.spsso.org.uk/senior-management>  
<https://www.spsso.org.uk/advisory-audit-board>

<sup>2</sup> Our Scheme of Control can be found in the Governance and Risk handbook here: <http://www.spsso.org.uk/spsso-policies>

## Freedom of information and environmental information

SPSO processed 151 requests for information in 2019-20 (164 in 2018-19):

- 141 under the Freedom of Information (Scotland) Act 2002
- Ten under the Environmental Information (Scotland) Regulations 2004.

SPSO processed 12 requests for review (six in 2018-19):

- We upheld our original decision in ten (five in 2018-19)
- Two were withdrawn or invalid.

Three decisions were made by the Scottish Information Commissioner (SIC) on appeals submitted to him in 2019-20 (nil in 2018-19):

- Two SIC decisions found that we had complied with the Freedom of Information (Scotland) Act 2002 (FOISA)
- One decision found that we had failed to respond to a request for review within the statutory timescale.

## Data protection

SPSO processed 107 subject access requests (SAR) under the Data Protection Legislation (100 in 2018-19). We received no decisions from the UK Information Commissioner Office (ICO).

We reported one personal data security breach to the ICO regarding the disclosure of a complainant's personal information to another third party complainant (two in 2018-19). The Information Commissioner decided that no further action by them was necessary on this occasion.

We have clear guidelines governing how we handle data. There is a clearly established process for recording and investigating potential breaches in data security. All incidents must be logged using an incident recording system and, following an investigation, any identified risks are mitigated as far as possible.<sup>3</sup>

The Data Protection Officer provided an annual assurance statement to the Leadership Team and AAB. This states that in 2019-20 the SPSO continued to operate robust data protection compliance measures in line with GDPR requirements.

<sup>3</sup> Our Information Governance handbook can be found at <http://www.spsso.org.uk/spsso-policies>

## Internal audit and risk management

The SPSO's AAB supports the Ombudsman in relation to responsibilities for risk, internal control, and governance. Each year the chair of the SPSO AAB produces an annual report on behalf of the Board. The purpose of the report is to summarise the Board's work over the previous financial year and provide the Board's opinion in relation to our governance. Jean Couper CBE, chair of the AAB, provided her detailed report, which is published on our website.<sup>4</sup>

The Board met three times in 2019-20 and considered each of the internal audit reports. In 2019-20 our internal auditors, the Scottish Legal Aid Board (under a shared services agreement), looked at the areas of payroll, absence, risk management, accounting and budgeting, procurement, the Climate Change Duties report, facilities management, and business continuity planning. The internal audit reports concluded our arrangements were satisfactory and the auditors raised no issues of significance.

## Audit

The SPSO's accounts are audited by auditors appointed by the Auditor General for Scotland in accordance with paragraph 15 (2) of schedule 1 of the Scottish Public Services Ombudsman Act 2002. The Auditor General has appointed Deloitte as the Ombudsman's auditors for the 5-year period from 2016-17 to 2021-22.

## Disclosure of information to auditors

As Accountable Officer, I am aware of no relevant audit information of which our auditors are unaware. I have taken all necessary steps to ensure that I am aware of any relevant audit information, and to establish that the auditors are also made aware of this information.

**As Accountable Officer, I authorised the financial statements for issue in 7 October 2020.**



**Rosemary Agnew**  
**Scottish Public Services Ombudsman**

<sup>4</sup> Our Advisory Audit Board annual reports can be found at <https://www.spsso.org.uk/audit-and-advisory-committee>

## 2. Statement of Accountable Officer's responsibilities

Under paragraph 15 (1) of schedule 1 of the Scottish Public Services Ombudsman Act 2002, the Ombudsman is required to prepare a statement of accounts for each financial year in the form as directed by Scottish Ministers. The accounts are prepared on an accruals basis and must give a true and fair view of the Ombudsman's affairs at the year-end, and of its net resource outturn, application of resources, changes in taxpayers' equity and cash flows for the financial year.

In preparing the accounts, the Ombudsman is required to:

- observe the Accounts Direction issued by Scottish Ministers, 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 have been followed, and disclose and explain any material departures in the financial statements, and
- prepare the financial statements on a 'going concern' basis, unless it is inappropriate to presume that the Ombudsman will continue in operation.

The Scottish Parliamentary Corporate Body (SPCB) designated the Ombudsman as the Accountable Officer for the SPSO. The relevant responsibilities as Accountable Officer are set out in the Memorandum to Accountable Officers of Other Public Bodies issued by the Scottish Government and published in the Scottish SPFM. These include the propriety and regularity of the public finances for which the Accountable Officer is accountable, the keeping of proper records, and safeguarding the SPSO's assets.

As Accountable Officer for the SPSO, I can confirm that:

- 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 auditors are aware of that information.
- The Annual Report and Accounts as a whole is fair, balanced and understandable.
- I take personal responsibility for the Annual Report and Accounts and the judgements required for determining that they are fair, balanced, and understandable.

### 3. Governance statement

I took up the post of Scottish Public Services Ombudsman and Accountable Officer on 1 May 2017 for an eight-year appointment. As Accountable Officer, the Ombudsman has responsibility for maintaining a sound system of governance and internal control that supports the achievement of organisational policies, aims, and objectives, whilst safeguarding the public funds and the organisation's assets for which I am responsible.

I have in place a scheme of control, the key features of which are:

- the Ombudsman is the Accountable Officer
- the Ombudsman is supported by the Leadership Team (LT), which comprises the Ombudsman, the Director, and the Head of Improvement, Standards and Engagement. Individual members of the LT have delegated authority to make decisions as set out in the Ombudsman's Scheme of Delegation
- the Ombudsman chairs formal governance meetings of the LT to consider finance and audit matters, the annual business plan, the risk register, and the strategic direction of the organisation every quarter
- the LT also meets, usually weekly, to oversee the day-to-day running of the operation
- the Ombudsman is supported by the AAB, which provides assurance and advice about governance, including management of risk and internal control. The AAB meets at least twice a year to consider audit matters and the SPSO's approach to management of risks to the business in relation to strategic direction of the organisation
- external scrutiny is provided by an internal audit function. In 2019-20 this was provided by the Scottish Legal Aid Board through a shared services arrangement. There is a rolling three-year internal audit programme in place, of which 2019-20 was the second year of the three-year plan for 2018-21
- risk is managed actively through a risk management policy that sets out the approach to risk management for the delivery of strategic aims. The risk register identifies the key risks facing the organisation and is reviewed and updated with the business plan on an annual basis with input from all staff. It is also reviewed by the LT each quarter and the AAB at each meeting.

The most significant strategic risk to the organisation in 2019-20 remained the adequacy of resources to deliver our statutory functions, in particular our complaint handling and Scottish Welfare Fund review services, within an acceptable timescale and quality of service. The majority of the SPSO's workload is demand-led. Consequently, the number and complexity of complaints, enquiries, and Scottish Welfare Fund review applications received is outside our control and fluctuates. The LT monitors this closely.

- the system of internal financial control is based on agreed administrative procedures and the system of delegation and accountability.
- compliance with generally accepted best practice principles and relevant guidance on corporate governance has been assessed using an internal control checklist. The checklist is based on that provided within the SPFM and a proportionate approach has been adopted, reflecting the relatively small size and simple structure of the SPSO whilst recognising the wider impact of its duties.

### **3.1 Fraud, corruption and bribery**

Our policies and procedures on fraud, corruption, and bribery include the anti-fraud policy, Codes of Professional Conduct, the terms and conditions for the supply of goods and services, and the broader financial governance arrangements.

We maintain a hospitality and gifts register, which is updated regularly.

We declare any fraud, whistleblowing or control failure incidents to the AAB and this forms part of the annual assurance process. In 2019-20, there were no instances of fraud or bribery identified or detected in the SPSO.

### **3.2 Review of effectiveness of internal control and risk management**

I am satisfied that the current Scheme of Control provides a robust and appropriate framework for good governance and internal control. My office formally complies with the principles of the SPFM in line with the Financial Memorandum agreed with the SPCB.

I am assured that throughout 2019-20 the LT have ensured consistent adherence to procedures for internal control, especially in the key business areas of financial management, operational and employee data management and risk management. The system of internal control is designed to manage rather than eliminate the risk of failure to achieve policies, aims, and objectives; therefore, it can only provide reasonable and not absolute assurance of effectiveness. The system of internal control will continue to evolve to identify the principal risks to the achievement of the organisation's policies, aims, and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically.

The preparation of the annual business plan takes account of the Public Service Improvement Framework, Audit Scotland reports, and Best Value in Public Services characteristics.

In 2017, the Ombudsman reviewed risk management arrangements. Following this, she introduced a strategic risk register covering the years of the Strategic Plan and addressing the areas of reputation, communication, governance, resources, business continuity, and withdrawal of the UK from the European Union. This register is reviewed quarterly and published on our website<sup>5</sup>.

<sup>5</sup> Our Strategic Risk Register can be found at <https://www.spsso.org.uk/corporate-planning>

The overall operational risk profile for 2019-20 remained low to moderate. The significant risks to carry forward into 2020-21 were the risks associated with: the impact of the COVID-19 pandemic, the transfer of new powers for the Independent National (NHS) Whistleblowing Officer (INWO), an increase in cases received with the potential to create a backlog of cases, and the risk of inadequate funding to maintain and develop capacity to deliver our statutory functions to an appropriate standard.

Control actions for these risks include fully implementing the Business Continuity Plan in accordance with the Government directives, enabling working from home arrangements for staff during lockdown, implementing processes to maintain workflow, maintaining full engagement with the Scottish Government preparations for the introduction of INWO, drawing on the SPCB contingency fund if we are unable to cover unexpected costs, and approaching the SPCB for ongoing increases in funding and through continuous improvement aimed at improving efficiency in future years. The internal audit function has reviewed the process for managing risk.

We have clear guidelines that govern how we handle data. There is a clearly established process for recording and investigation of any potential breaches in data security. All incidents must be logged using an incident recording system and, following an investigation, any identified risks mitigated as far as possible. There were no known or reported serious breaches of data security in the year.



**Rosemary Agnew**  
**Scottish Public Services Ombudsman**  
**7 October 2020**



# Remuneration and staff report

## 4. Remuneration report

The information disclosed in the tables below which is subject to external audit includes total remuneration, pension tables, fair pay disclosures, and analysis of staff numbers and costs. The other sections in the Remuneration and staff report are reviewed by the external auditors to ensure they are consistent with the financial statements.

### 4.1. Advisory Audit Board

The Ombudsman's Advisory Audit Board has three independent members including the Chair of the committee. The independent members of the committee, which is set by the Ombudsman, are remunerated by the SPCB as part of a shared service agreement. All independent committee member appointments are part-time and are non-pensionable.

### 4.2. Ombudsman and Director

Set out in the table below are the salaries (including overtime, but excluding employer's superannuation and national insurance contributions), benefits in kind, and pension entitlements of the Ombudsman and Director. Information is presented for the whole year to 31 March 2020.

Remuneration	2019-20 £'000	2018-19 £'000
<b>Ombudsman</b>		
Salary	85-90	80-85
Benefits in kind	-	-
Pension benefits (i)	34	33
<b>Total</b>	<b>120-125</b>	<b>115-120</b>
<b>Director</b>		
Salary (FTE)	85-90	80-85
Benefits in kind	-	-
Pension benefits (i)	14	14
<b>Total</b>	<b>95-100</b>	<b>95-100</b>

Pension Benefits	Accrued pension at pension age as at 31/03/2020 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31 March 2020	CETV at 31 March 2019	Real increase in CETV funded by the employer	Employer contribution to private pension account
	£'000	£'000	£'000	£'000	£'000	£'000
Ombudsman	15-20	0-2.5	225	189	21	-
Director (ii)	-	-	-	-	-	14

## Notes:

- (i) The value of pension benefits accrued during the year is calculated as the real increase in pension multiplied by 20, plus the real increase in any lump sum less the contributions made by the individual. The real increases exclude increases due to inflation or any increase or decreases due to a transfer of pension rights. In 2015, the Government introduced reforms to public sector pensions, meaning most public sector workers were moved into new pension schemes in 2015. In December 2018, the Court of Appeal ruled that the 'transitional protection' offered to some members of the judges and firefighters schemes, as part of the reforms, amounted to unlawful discrimination. On 15 July 2019 the Government issued a written ministerial statement and confirmed that as 'transitional protection' was offered to members of all the main public service pension schemes, the difference in treatment will need to be remedied across all those schemes, including the civil service pension schemes. Civil Service Pensions are still assessing the impact of the McCloud judgement in relation to changes to benefits in 2015. The benefits and related CETVs disclosed do not allow for any potential future adjustments that may arise from this judgement.
- (ii) The Director's pension is a private defined contribution scheme and is recognised in the Ombudsman's accounts on a cash basis.

### 4.3. The cash equivalent transfer value (CETV)

A Cash Equivalent Transfer Value (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 member has transferred to the civil service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

#### 4.4. The real increase in the value of the CETV

This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the member (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.

#### 4.5. Service contracts

The SPCB set the Ombudsman's remuneration. Her Majesty the Queen appoints the Ombudsman following nomination by the Scottish Parliament.

The Director holds an appointment that is open-ended until retirement. The terms of employment are set by the Ombudsman and approved by the SPCB, in line with the SPSO Act (2002).

#### 4.6. Severance payments

No severance payments were made during the year (none in 2018-19).

#### 4.7. Staff salary profile as at 31 March 2020

	31 March 2020			31 March 2019		
	FTE	£'000	%	FTE	£'000	%
Permanent	63.74	2,885	96.8%	62.79	2,705	95.5%
Other	1.5	96	3.2%	2.26	127	4.5%
<b>Total</b>	<b>65.24</b>	<b>2,981</b>	<b>100%</b>	<b>65.05</b>	<b>2,832</b>	<b>100%</b>

#### 4.8. Fair pay disclosure

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce. Total remuneration includes salary, non-consolidated performance-related pay, and benefits-in-kind of employees. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions. These figures do not include secondees or temporary staff.

	2019-20	2018-19
Staff remuneration	£16,926 - £87,188	£21,806 - £84,648
Workforce median	£49,819	£39,291
Ombudsman remuneration	£85,000-£90,000	£80,000 - £85,000
Ratio	1.8 times median of workforce	2.1 times median of workforce

The change in ratio is due to applying a cost of living increase to all pay bands and the shortening of pay-scale journey times in line with legal obligations. During the 2019-20 accounting period, the SPSO maintained the Living Wage Accreditation status.

## 5. Staff report (excluding the Ombudsman<sup>6</sup>)

### 5.1. Staff numbers

	2019-20					2018-19				
	Male	%	Female	%	Total	Male	%	Female	%	Total
Full-time	12	15%	36	46%	<b>48</b>	17	21%	39	49%	<b>56</b>
Part-time	7	9%	21	27%	<b>28</b>	1	1%	18	23%	<b>19</b>
Other	-	-	3	4%	<b>3</b>	-	-	5	6%	<b>5</b>
<b>Total</b>	<b>19</b>	<b>24%</b>	<b>60</b>	<b>77%</b>	<b>79</b>	<b>18</b>	<b>22%</b>	<b>62</b>	<b>78%</b>	<b>80</b>
Permanent FTE <sup>7</sup>	16.54	25%	47.20	72%	<b>63.74</b>	16.08	25%	46.71	72%	<b>62.79</b>
Other FTE	-	-	1.50	2%	<b>1.5</b>	-	-	2.26	3%	<b>2.26</b>
<b>Total FTE</b>	<b>16.54</b>	<b>25%</b>	<b>48.70</b>	<b>75%</b>	<b>65.24</b>	<b>16.08</b>	<b>25%</b>	<b>48.97</b>	<b>75%</b>	<b>65.05</b>

### 5.2. Employee costs (these figures do not include secondees or temporary staff)

Pay band <sup>8</sup>	2019-20					2018-19				
	Male	%	Female	%	Total	Male	%	Female	%	Total
1	-	-%	7	9%	<b>7</b>	-	-	4	5%	<b>4</b>
2	2	3%	11	15%	<b>13</b>	2	3%	15	20%	<b>17</b>
3	14	18%	31	41%	<b>45</b>	14	19%	32	43%	<b>46</b>
4	1	1%	4	5%	<b>5</b>	1	1%	3	4%	<b>4</b>
5	1	1%	2	3%	<b>3</b>	1	1%	2	3%	<b>3</b>
6	-	-	1	1%	<b>1</b>	-	-	1	1%	<b>1</b>
Living Wage (Internship)	1	1%	1	1%	<b>2</b>	-	-	-	-	<b>0</b>
<b>Total</b>	<b>19</b>	<b>24%</b>	<b>57</b>	<b>75%</b>	<b>76</b>	<b>18</b>	<b>24%</b>	<b>57</b>	<b>76%</b>	<b>75</b>

### 5.3. Staff composition

	2019-20					2018-19				
	Male	%	Female	%	Total	Male	%	Female	%	Total
Director	-	-	1	100%	<b>1</b>	-	-	1	100%	<b>1</b>
Employees	19	25%	56	75%	<b>75</b>	18	24%	56	76%	<b>74</b>
<b>Other</b>	<b>-</b>	<b>-</b>	<b>3</b>	<b>100%</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>5</b>	<b>100%</b>	<b>5</b>
<b>Total</b>	<b>19</b>	<b>25%</b>	<b>60</b>	<b>75%</b>	<b>79</b>	<b>18</b>	<b>24%</b>	<b>62</b>	<b>78%</b>	<b>80</b>

<sup>6</sup> The Ombudsman is appointed by the Scottish Parliament, therefore, not a member of the SPSO staff.

<sup>7</sup> The average number of full time equivalent (FTE) persons employed by the SPSO during the period.

<sup>8</sup> We publish our pay bands here: <https://www.spsso.org.uk/class-5-how-we-manage-our-human-physical-and-information-resources>

#### 5.4. Average staff employed (full-time equivalent)

The average number of full-time equivalent (FTE) persons employed by the SPSO during the period was as follows:

	2019-20 FTE	2018-19 FTE
Staff	64	63
Other	1.5	2.3
<b>Total</b>	<b>65.5</b>	<b>65.3</b>

#### 5.5. Breakdown of staff costs

	2019-20 £'000			2018-19 £'000		
	Permanent	Other	Total	Permanent	Other	Total
Salaries/wages	2,885	96	2,981	2,705	127	2,832
Social security costs	297	-	297	247	-	247
Pension costs	760	-	760	546	-	546
<b>Total</b>	<b>3,942</b>	<b>96</b>	<b>4,038</b>	<b>3,498</b>	<b>127</b>	<b>3,625</b>

#### 5.6. Employee sickness absence (these figures do not include secondees or temporary staff)

Absence is monitored and reported to management on a monthly, quarterly, and annual basis.

	31 March 2020	31 March 2019
Total members of staff for the full year	76	75
Absence for year (days)	538	361.5
Average days per employee	7.08	4.82
Absence excluding long-term absence (days) <sup>9</sup>	221.5	224.5
Average days per employee excluding long-term absence	2.91	2.99
% staff with a period of absence	61%	73.3%

The overall figure of 7.07 days per employee (including long-term absence) is below the average figure of 8 days reported for public sector employees in 2019 ('Chartered Institute of Personnel Health and Wellbeing at Work 2020: Public Sector Summary'. Published March 2020).

#### 5.7. Employee turnover and staffing changes

In 2019-20, three members of staff retired or resigned. In response to this, the SPSO recruited people into two of these roles and recruitment for the third role was postponed until 2020-21. We had one member of staff on parental leave during 2019-20 and this created a vacancy for which we recruited. We also created an additional eight roles

<sup>9</sup> Sickness absence is divided into short and long term; long-term absence is defined as any period of or over 10 consecutive days.

as part of our preparations for taking on the Independent National Whistleblowing Officer (INWO) function. On 31 March 2020, we had filled two of these vacancies while recruitment for the other six vacancies was in progress. Another two internship roles were created and filled in partnership with Inclusion Scotland.

## 5.8. Staff policies for disabled persons

The SPSO is committed to providing a fair and inclusive workplace free from discrimination, which promotes equality of opportunity for all. As part of standard recruitment practice, applications are encouraged from those with disabilities who meet the essential selection criteria.

The SPSO is committed to recognising and valuing what everyone has to offer. This includes a commitment to improving our policies and practices on disability. We are aware of our equality duties under the Equality Act 2010. In our policy development and our decision-making, we consider the implications for staff who are protected under the Equality Act. Staff with management responsibilities receive training and HR advice and support in relation to working with individual team members to ensure all staff are well supported in their roles; adjustments are made and monitored as individual circumstances change over time and in line with the relevant HR policies.

Built into the 2018-19 accommodation project were overt considerations to make the new premises as useable as possible for staff and visitors with disabilities. An accessibility audit was undertaken before finalising the plans and after all organisations had moved in. These considerations included: designing a dedicated welfare room; building an additional disabled-access toilet on the first floor where the shared meeting rooms and facilities are located; installing a new shower block with a disabled-access toilet and shower; installing induction loops at the reception desk and in the shared meeting facilities and welfare room; providing a lowered bench space in the shared kitchen for wheelchair users; ensuring all room signs were also in braille; and installing noise-absorption ceiling fins and moveable panels where voice-recognition software is used. These built-in designs have proved valuable during 2019-20 and have been accessed by members of staff and visitors to the building.

This year we continued with our focus on mental health and wellbeing, with further development of policies and practices to support all staff, but in particular those with mental health issues. Our enhanced flexible working policies and time-bands to support home-working arrangements, including where required to support a disability, or caring responsibilities, has been welcomed and implemented by many members of staff. Our internal working group 'IDEA' (Inclusion, Diversity, Equalities and Accessibility) are interested in a broad range of issues where questions of inclusion might arise including looking at diversity within the SPSO itself and how this might be encouraged.

In terms of workforce diversity and taking direct action to support people with disabilities, we were proud to work with Inclusion Scotland to recruit two interns to work with us for 12-week assignments.

## 6. Other employee matters

### 6.1. Equality and diversity

The Ombudsman supports the principle of equal opportunities in carrying out operational functions and employment practices. The SPSO is committed to pursuing positive action through the organisation's policies and practices to ensure that no individual is discriminated against, either directly or indirectly, unlawfully or unjustifiably because of their personal status in relation to race, ethnic or national origin, religion, age, gender, disability, and sexual or marital status.

### 6.2. Employee participation

The SPSO achieved gold accreditation in Investors in People (IIP), valid from 2017 to 2020. IIP carried out its annual review in March 2020, the outcome being the SPSO maintaining their accreditation.

This level of accreditation recognises organisations which strive for the best possible standards in people and management, the nurturing of talent, and which encourage personal development. IIP is an internationally recognised accreditation held by 14,000 organisations across the world, and gold accreditation is only awarded to the top 2% of organisations assessed.

We regularly survey our staff to measure job satisfaction, engagement and dedication. The results inform our annual learning and development programme, alongside the outcomes from the IIP assessment. Our survey reports are published annually on our website and indicate a strong sense of commitment to the organisation, despite the challenges of demanding workloads<sup>10</sup>.

### 6.3. Learning and development

The SPSO runs a comprehensive annual performance review process, where individuals are encouraged and supported to plan for their own development needs and career plans. In addition, we review our organisation-wide learning and development requirements and deliver training programmes and development opportunities on a rolling basis. A mix of internal and external experts deliver group training sessions. In 2019-20, we ran a number of induction sessions for colleagues new to the organisation.

### 6.4. Health, safety and wellbeing

The SPSO is committed to promoting the health, safety and wellbeing of all staff, and to ensuring that our working environment supports this. Our systematic approach to health and safety ensures we comply with all legislative obligations. It also ensures we all know what is expected of us and what we can expect of colleagues, by setting out the correct way of carrying out our duties. Perhaps most importantly, it provides a foundation for continually improving health and safety management within the SPSO. Health and safety continues to be an integral part of the overall management culture and we seek to develop a positive attitude to health and safety amongst staff.

<sup>10</sup> <https://www.spsso.org.uk/staff-views>

Further detail on our approach to health and safety is published on our website.<sup>11</sup> In addition to our qualified first aiders and mental health first aiders, in 2017 the SPSO established a staff wellbeing group, consisting of staff members with an interest and training in mental health first aid.

## 6.5. Trade union relations

We recognise the value and importance of good industrial relations, and effective communication with our staff. In addition to the activities related to staff consultation and participation described above, the management team meet regularly with staff representatives of the Public and Commercial Services Union (PCS) about pay and other related matters. We have published our facility time statement of support on our website.

### Trade union facility time report

Number of employees who were relevant union officials during the period 1 April 2019 to 31 March 2020	Full-time equivalent employee number
3	2.75
Percentage of time spent on facility time	Number of representatives
1 - 50%	3
Percentage of pay bill spent on facility time ('000)	
Total cost of facility time	33
Total pay bill	4,038
Percentage of the total pay bill spent on facility time	0.82%
Paid trade union activities	Full-time equivalent employee number
Time spent on paid trade union activities as a percentage of total paid facility time hours	25%



**Rosemary Agnew**  
**Scottish Public Services Ombudsman**  
**7 October 2020**

<sup>11</sup> <https://www.spsso.org.uk/spsso-policies>



# Independent auditor's report to the members of Scottish Public Services Ombudsman, the Auditor General for Scotland and the Scottish Parliament

## Report on the audit of the financial statements

### Opinion on financial statements

We have audited the financial statements in the annual report and accounts of the Scottish Public Services Ombudsman for the year ended 31 March 2020 under the Scottish Public Services Ombudsman Act 2002. The financial statements comprise Statement of Financial Position, the Statement of Comprehensive Net Expenditure, the Statement of Cash Flows, the Statement of Changes in Taxpayers' Equity and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the 2019-20 Government Financial Reporting Manual (the 2019-20 FReM).

In our opinion the accompanying financial statements:

- give a true and fair view in accordance with the Scottish Public Services Ombudsman Act 2002 and directions made thereunder by the Scottish Ministers of the state of the body's affairs as at 31 March 2020 and of its net expenditure for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2019-20 FReM; and
- have been prepared in accordance with the requirements of the Scottish Public Services Ombudsman Act 2002 and directions made thereunder by the Scottish Ministers.

### Basis of opinion

We conducted our audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the Code of Audit Practice approved by the Auditor General for Scotland. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We were appointed by the Auditor General on 31 May 2016. The period

of total uninterrupted appointment is four years. We are independent of the body in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the body. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to going concern basis of accounting

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the body has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about its ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## Risks of material misstatement

We have reported in a separate Annual Audit Report, which is available from the Audit Scotland website, the most significant assessed risks of material misstatement that we identified and our conclusions thereon.

## Responsibilities of the Accountable Officer for the financial statements

As explained more fully in the Statement of the Accountable Officer's Responsibilities, the Accountable Officer is responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the Accountable Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Accountable Officer is responsible for assessing the body'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 deemed inappropriate.

## **Auditor's responsibilities for the audit of the financial statements**

Our 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 an auditor's report that includes our 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.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved. We therefore design and perform audit procedures which respond to the assessed risks of material misstatement due to fraud.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## **Other information in the annual report and accounts**

The Accountable Officer is responsible for the other information in the annual report and accounts. The other information comprises the information other than the financial statements, the audited part of the Remuneration and Staff Report, and our independent auditor's report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon except on matters prescribed by the Auditor General for Scotland to the extent explicitly stated later in this report.

In connection with our audit of the financial statements, our responsibility is to read all the other information in the annual report and accounts and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Report on regularity of expenditure and income

### Opinion on regularity

In our opinion in all material respects the expenditure and income in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers.

### Responsibilities for regularity

The Accountable Officer is responsible for ensuring the regularity of expenditure and income. We are responsible for expressing an opinion on the regularity of expenditure and income in accordance with the Public Finance and Accountability (Scotland) Act 2000.

## Report on other requirements

### Opinions on matters prescribed by the Auditor General for Scotland

In our opinion, the audited part of the Remuneration and Staff Report has been properly prepared in accordance with the Scottish Public Services Ombudsman Act 2002 and directions made thereunder by the Scottish Ministers.

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

- the information given in the Performance Report for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Scottish Public Services Ombudsman Act 2002 and directions made thereunder by the Scottish Ministers; and
- the information given in the Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Scottish Public Services Ombudsman Act 2002 and directions made thereunder by the Scottish Ministers.

### Matters on which we are required to report by exception

We are required by the Auditor General for Scotland to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the financial statements and the audited part of the Remuneration and Staff Report are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

## Conclusions on wider scope responsibilities

In addition to our responsibilities for the annual report and accounts, our conclusions on the wider scope responsibilities specified in the Code of Audit Practice are set out in our Annual Audit Report.

## Use of our report

This report is made solely to the parties to whom it is addressed in accordance with the Public Finance and Accountability (Scotland) Act 2000 and for no other purpose. In accordance with paragraph 120 of the Code of Audit Practice, we do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

A handwritten signature in black ink, appearing to read 'P. Kenny', written in a cursive style.

**Pat Kenny, CPFA**  
**(for and on behalf of Deloitte LLP)**  
110 Queen Street, Glasgow G1 3BX  
**7 October 2020**

# Financial statements

## Statement of financial position as at 31 March 2020

	Notes	2019-20 £'000	2018-19 £'000
<b>Non-current assets</b>			
Property, plant and equipment	7	1,282	1,466
<b>Total non-current assets</b>		<b>1,282</b>	<b>1,466</b>
<b>Current assets</b>			
Trade receivables and other current assets	9	145	137
Cash and cash equivalents	10	8	129
<b>Total current assets</b>		<b>153</b>	<b>266</b>
<b>Total assets</b>		<b>1,435</b>	<b>1,732</b>
<b>Current liabilities</b>			
Trade and other payables	11	(541)	(339)
<b>Total current liabilities</b>		<b>(541)</b>	<b>(339)</b>
<b>Total assets less current liabilities</b>		<b>894</b>	<b>1,393</b>
<b>Non-current liabilities</b>		-	-
<b>Assets less liabilities</b>		<b>894</b>	<b>1,393</b>
<b>Taxpayers' equity</b>			
General Fund		894	1,393
<b>Total taxpayers' equity</b>		<b>894</b>	<b>1,393</b>

The accompanying notes on pages 79-88 form an integral part of these financial statements.



**Rosemary Agnew**  
**Scottish Public Services Ombudsman**  
**7 October 2020**

## Statement of comprehensive net expenditure for the year ended 31 March 2020

	Notes	2019-20 £'000	2018-19 £'000
<b>Administrative costs</b>			
Staff and pension costs	4,5	4,162	3,740
Other administration costs	6	1,238	1,195
Depreciation	7	193	128
Other operating income	3	(93)	(69)
<b>Net administration costs</b>		<b>5,500</b>	<b>4,994</b>
<b>Net operating costs and total comprehensive net expenditure for the year</b>		<b>5,500</b>	<b>4,994</b>

All amounts relate to continuing activities. There have been no gains or losses.

The accompanying notes on pages 79-88 form an integral part of these financial statements.

**Statement of cash flows for year ended 31 March 2020**

	Notes	2019-20 £'000	2018-19 £'000
<b>Cash flows from operating activities</b>			
Net operating cost		(5,500)	(4,994)
Adjustment for non cash transactions			
Depreciation		193	128
Movements in working capital			
Increase in trade and other receivables		(8)	(5)
Increase in trade and other payables		202	149
<b>Net cash outflow from operating activities</b>		<b>(5,113)</b>	<b>(4,722)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(9)	(1,530)
<b>Net cash outflow from investing activities</b>		<b>(9)</b>	<b>(1,530)</b>
<b>Cash flows from financing activities</b>			
Financing from the Scottish Parliamentary Corporate Body (SPCB)	2	5,001	6,228
<b>Net cash inflow from financing activities</b>		<b>5,001</b>	<b>6,228</b>
<b>Net decrease in cash and cash equivalents</b>			
Cash and cash equivalents at the beginning of the period		129	153
Cash flow in year		(121)	(24)
Cash and cash equivalents at the end of the period		8	129

**Statement of changes in taxpayers' equity for year ended 31 March 2020**

	Notes	2019-20 £'000	2018-19 £'000
<b>Balance at 31 March 2019</b>		<b>1,393</b>	<b>159</b>
Net operating costs and total comprehensive net expenditure for the year		(5,500)	(4,994)
General funding from SPCB	2	5,001	4,706
Non-recurring funding from SPCB	2		1,522
<b>Balance at 31 March 2020</b>		<b>894</b>	<b>1,393</b>



# Notes to the accounts

## 1. Accounting policies

These financial statements have been prepared in accordance with the Government Financial Reporting Manual (FReM) in compliance with the accounts direction issued by Scottish Ministers. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the Ombudsman for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Ombudsman are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

### 1.1 Accounting convention

These financial statements have been prepared under the historical cost convention.

### 1.2 Property, plant and equipment

#### 1.2.1 Capitalisation

All Property, plant, and equipment assets are accounted for as non-current assets unless they are deemed to be held for sale. Enhancements to occupied space relating to a property interest held under an operating lease, such as interior fit out costs, and including related professional fees, are capitalised. The minimum level of capitalisation of a property asset is £10,000 and for individual items of equipment is £500. Costs relating to information technology hardware and systems are capitalised where the grouped value exceeds £500. All values include irrecoverable VAT.

#### 1.2.2 Valuation

As appropriate, non-current assets are valued at their value to the organisation by reference to current costs.

#### 1.2.3 Depreciation

Depreciation is provided on all non-current assets at rates calculated to write off the cost or valuation in equal instalments over the remaining estimated useful life of the asset. These are as follows:

Leasehold improvements	10 years over the period of the lease
Equipment	5 years
Furniture, fixtures and fittings	5 years
IT hardware and systems	2 or 3 years

#### 1.2.4 There are no assets held for resale.

## 1.3 Funding receivable

Funding received through the Scottish Parliamentary Corporate Body (SPCB) is credited directly to the General Fund in the period to which it relates.

## 1.4 Operating income

Operating income relates directly to the activities of the office of the Ombudsman. It comprises fees for training events charged on a cost recovery basis, and leasing surplus office car park spaces. Income is credited to the statement of comprehensive net expenditure in the year to which they relate.

## 1.5 Leases

The Ombudsman holds no finance leases. Costs in respect of operating leases are charged to the income and expenditure account as they fall due.

## 1.6 Pension costs

The Ombudsman and office staff are members of the Principal Civil Service Pension Scheme (PCSPS). The PCSPS is an unfunded multi-employer defined benefit scheme with benefits underwritten by the government. As a result, the office of the Ombudsman is unable to identify its share of the underlying assets and liabilities and, therefore, it is accounted for as a defined contribution scheme and no liability is shown in the statement of financial position. The PCSPS is financed by payments from the employer and from those current employees who are members of the PCSPS, who pay contributions at different rates which depend on their salaries and the section of the pension scheme of which they are a member. The rate of employer contributions is typically set following an actuarial valuation. Government Actuary's Department has been appointed as the PCSPS actuary.

The scheme underwent a valuation designed to set employer contribution rates from 1 April 2019. HM Treasury have directed that part of the valuation process ("the cost control mechanism") should be paused but have confirmed that the valuation will be used to set employer contribution rates. To provide certainty, PCSPS set employer contributions for 2019-20 on the basis of the draft valuation results. Once the valuation has been completed it will be used to set employer rates from 1 April 2020 for the remaining three years of the valuation period. In line with this, the 2019-20 employer contribution rate of 26.6-30.3% of pensionable pay was applied, according to the relevant pay band.

Further details can be found in the separate scheme statement of the PCSPS.<sup>1</sup>

<sup>1</sup> <https://www.civilservicepensionscheme.org.uk/employers/employer-pension-notice/epn567-employer-contribution-rates-and-administration-charges/>

## 1.7 Value added tax (VAT)

The office of the Ombudsman is not registered for VAT, as such all amounts are recorded inclusive of VAT.

## 1.8 Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual agreement, as either financial assets or financial liabilities.

The office of the Ombudsman has classified its financial instruments as follows:

### **Financial assets**

Cash and cash equivalents, trade debtors, accrued income and amounts receivable are reported in the 'Current Assets' category.

### **Financial liabilities**

Trade payables, accruals, and creditors are classified as 'current liabilities'.

## 1.9 Critical judgements in applying accounting policies

In applying the accounting policies set out in these Notes, the Ombudsman has had to make judgements about financial transactions or those involving uncertainty about future events. The critical judgement made in the financial statements is that the organisation will continue as a going concern and will be appropriately funded by the SPCB.

## 1.10 Critical accounting estimates

The financial statements contain estimated figures that are based on assumptions about the future or that are otherwise uncertain. These estimates relate to the value of tangible and intangible assets. Estimates of useful life are made taking account of historical experience, current trends, and other relevant factors but cannot be determined with certainty. Actual results could be different from the assumptions and estimates, but are unlikely to be material. See note 1.2 for details.

Pension benefits are provided through the civil service pension arrangements. The civil service pension arrangements are unfunded multi-employer defined benefit schemes in which the Ombudsman's office is unable to identify its share of the underlying assets and liabilities. See note 1.6 for details.

## 1.11 Standards issued

### 1.11.1 Standards, amendments and interpretations effective in the current year

In the current year, the Ombudsman has applied a number of amendments to IFRS Standards and Interpretations that are effective for an annual period that begins on or after 1 January 2019. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements:

- IFRIC 23: Uncertainty over Income Tax Treatment
- Amendment to IFRS 9: Prepayment Features with Negative Compensation
- Annual Improvements to IFRS Standards 2015-2017 Cycle

### 1.11.2 Standards, amendments and interpretations early adopted this year

- There are no new standards, amendments or interpretations early adopted this year.

### 1.11.3 Standards issued not effective

- At the date of authorisation of these financial statements, the Ombudsman has not applied the following new and revised IFRS Standards that have been issued but are not yet effective: IFRS 16: Leases – HM Treasury have agreed to defer implementation until 1 April 2021
- IFRS 17: Insurance Contracts – applicable for periods beginning on or after 1 January 2021. Not yet endorsed for use in the EU.
- Amendments to References to the Conceptual Framework in IFRS Standards – applicable for period beginning on or after 1 January 2020
- Amendments to IAS 1 and IAS 8 (Definition of Material) – applicable for periods beginning on or after 1 January 2020
- Amendments to IFRS 9, IAS 29 and IFRS 7 (Interest Rate Benchmark Reform) – applicable for periods beginning on or after 1 January 2020
- Amendment to IAS 1 (Classification of Liabilities as Current or Non-Current) – applicable for periods beginning on or after 1 January 2022. Not yet endorsed for use in the EU.

The Ombudsman does not expect that the adoption of the Standards listed above will have a material impact on the financial statements in future periods, except as noted below.

IFRS 16 Leases supersedes IAS 17 Leases and is being applied by HM Treasury in the FReM from 1 April 2021. IFRS 16 introduces a single lessee accounting model that results in a more faithful representation of a lessee's assets and liabilities, and provides enhanced disclosures to improve transparency of reporting on capital employed.

Under IFRS 16, lessees are required to recognise assets and liabilities for leases with a term of more than 12 months, unless the underlying asset is of low value. While no

standard definition of 'low value' has been mandated, the Ombudsman has elected to utilise the capitalisation threshold of £10,000 to determine the assets to be disclosed. The Ombudsman expects that its existing finance leases will continue to be classified as leases. All existing operating leases will fall within the scope of IFRS 16 under the 'grandfathering' rules mandated in the FReM for the initial transition to IFRS 16. In future years new contracts and contract renegotiations will be reviewed for consideration under IFRS 16 as implicitly identified right-of-use assets. Assets recognised under IFRS 16 will be held on the Statement of Financial Position as (i) right-of-use assets which represent the Ombudsman's right to use the underlying leased assets; and (ii) lease liabilities which represent the obligation to make lease payments.

The bringing of leased assets onto the Statement of Financial Position will require depreciation and interest to be charged on the right-of-use asset and lease liability, respectively. Cash repayments will also be recognised in the Statement of Cash Flows, as required by IAS 7.

The Ombudsman has assessed the likely impact to i) comprehensive net expenditure and ii) the Statement of Financial Position of applying IFRS 16. The figures below represent existing leases as at 31 March 2020.

## 2. Financing from the Scottish Parliamentary Corporate Body (SPCB)

	2019-20 £'000	2018-19 £'000
General funding from SPCB	5,001	4,706
Non-recurring funding from SPCB	-	1,522
<b>Total funding from SPCB</b>	<b>5,001</b>	<b>6,228</b>

An increase in general funding in 2019-20 was mainly due to the increase in staff costs. The non-recurring funding of £1,522K in 2018-19 was allocated for the Shared Accommodation Project to provide shared accommodation, which brought together the Children and Young People's Commissioner for Scotland (CYPCS), Scottish Human Rights Commission (SHRC), and SPSO in Bridgehouse, 99 McDonald Road, Edinburgh.

## 3. Income from all sources

	2019-20 £'000	2018-19 £'000
Gross income from training	88	62
Other operating income	5	7
	<b>93</b>	<b>69</b>

## 4. Staff costs (including the Ombudsman)

### 4.1 Average staff employed (full-time equivalent)

The average number of full time equivalent (FTE) persons employed in the office of the Ombudsman during the period was as follows:

	2019-20 FTE	2018-19 FTE
Ombudsman	1	1
Staff	64	63
	<b>65</b>	<b>64</b>

### 4.2 Breakdown of staff costs

	Ombudsman £'000	Staff £'000	Total £'000
Salaries/wages	87	2,981	3,068
Social security costs	11	297	308
Pension costs	26	760	786
	<b>124</b>	<b>4,038</b>	<b>4,162</b>
<b>Comparative for year ended 31 March 2019</b>			
Salaries/wages	84	2,832	2,916
Social security costs	10	247	257
Pension costs	21	546	567
	<b>115</b>	<b>3,625</b>	<b>3,740</b>

Staff costs rose in 2019-20 due to annual increments and recruitment of staff due to the office relocation and in preparation for Independent National Whistleblowing Officer functions.

## 5. Pension costs

For 2019-20, employer's contributions of £715,807 were payable to the PCSPS at one of four rates in the range 26.6-30.3% of pensionable pay, based on salary bands. The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and reflect past experience of the scheme. There were no outstanding scheme contributions at 31 March 2020 (2019 £0).

On death, pensions are payable to the surviving spouse at the rate of half of the member's pension. On death in service, the scheme pays a lump sum benefit of at least twice pensionable pay, depending on the scheme joined within PCSPS, and also provides a service enhancement on computing the spouse's pension. The enhancement depends on the length of service and cannot exceed ten years. Medical retirement is

possible in the event of serious ill health. In this case, pensions are brought into payment immediately without actuarial reduction and with service enhanced as for widow(er) pensions.

Eight employees opted for a partnership pension account with a private sector pension scheme into which the office of the Ombudsman made an employer contribution to the value of £43,894.32 in 2019-20. Employer contributions include a matching contribution up to 3% and are age-related and ranging from 8% to 14.75% of pensionable pay.

## 6. Other administrative costs

	2019-20 £'000	2018-19 £'000
Property costs	550	457
Professional advisors	216	232
Professional services	72	62
General office running costs	288	309
Staff training	15	20
Travel and expenses	16	15
Printing and publications	40	36
Telephones and postage	22	45
External communications and training unit costs	19	19
	<b>1,238</b>	<b>1,195</b>

The above total includes £18,110 (2018-19 £17,870) for external auditor's remuneration. The external auditor received no fees in relation to non-audit work.

The increase in property costs were mainly due to service charge adjustment and council tax increases following revaluation. These costs include the costs for franked postage and telephone system maintenance for the three organisations (SPSO, SHRC and CYPSCS), which in turn, contributed to the decrease in spending on operation costs from postage and telephone.

Running costs include £nil (2018-19 £1,107) of equipment rental costs in association with operating leases.

## 7. Property, plant and equipment

	Leasehold improvements	Equipment	Furniture fixtures & fittings	IT hardware & systems	Total
	£'000	£'000	£'000	£'000	£'000
<b>Cost</b>					
At 1 April 2019	1,286	3	358	65	1,712
Disposals	-	-	-	-	-
Additions	-	-	2	7	9
At 31 March 2020	1,286	3	360	72	1,721
<b>Depreciation</b>					
At 1 April 2019	80	2	134	30	246
Disposals	-	-	-	-	-
Charge for year	129	-	48	16	193
At 31 March 2020	209	2	182	46	439
<b>Net book value at</b>					
31 March 2020	<b>1,077</b>	<b>1</b>	<b>178</b>	<b>26</b>	<b>1,282</b>
31 March 2019	<b>1,206</b>	<b>1</b>	<b>224</b>	<b>35</b>	<b>1,466</b>

## 8. Intangible assets

There are no intangible assets, as licences are now all annual, therefore, not capitalised.

## 9. Trade receivables and other current assets

	2019-20 £'000	2018-19 £'000
Prepayments	119	118
Other debtors	26	19
	<b>145</b>	<b>137</b>



## 10. Cash and cash equivalents

	2019-20 £'000	2018-19 £'000
Balance at 1 April	129	153
Net change in cash and cash equivalents	(121)	(24)
Balance at 31 March	<b>8</b>	<b>129</b>
Cash held at commercial banks	<b>8</b>	<b>129</b>

## 11. Trade payables and other current liabilities (amounts falling due within one year)

	2019-20 £'000	2018-19 £'000
Trade payables	48	23
Accruals - HMRC	90	78
Accruals - non-government bodies	403	238
	<b>541</b>	<b>339</b>

## 12. Operating leases

	Buildings £'000	Totals £'000
<i>The total of future minimum lease payments under non-cancellable operating leases for each of the following periods:</i>		
Within one year of the balance sheet date	226	226
Within two to five years of the balance sheet date	1,113	1,113
Over five years of the balance sheet date	939	939
	<b>2,278</b>	<b>2,278</b>
<b>Comparative for year ended 31 March 2019</b>		
Within one year of the balance sheet date	86	86
Within two to five years of the balance sheet date	1,061	1,061
Over five years of the balance sheet date	1,218	1,218
	<b>2,365</b>	<b>2,365</b>

### 13. Related party transactions

The Scottish Public Services Ombudsman was constituted by the Scottish Parliament, which provides funding for the Ombudsman. The SPCB is regarded as a related body. Neither the Ombudsman nor the Ombudsman's staff have undertaken material transactions with the SPCB nor with the Ombudsman's office during the year.

### 14. Post balance sheet events

No event has occurred since the date of the balance sheet that materially affects the financial statements.

### 15. Financial instruments

Financial assets are carried in the balance sheet at amortised cost. Their fair value can be assessed by calculating the present value of the cash flows that will take place over the remaining period of the instrument, using the assumption that the fair value of trade and other receivables is taken to be the invoiced or billed amount.

*Credit risk* – The Ombudsman receives funding on a monthly basis and restricts cash holdings to a minimum.

*Liquidity risk* – The Ombudsman does not have any external borrowings.

*Market risk* – Changes in market interest rates influence the interest on borrowings and on interest receivable on surplus funds invested. The Ombudsman does not rely on interest receivable as its key source of income.

# Direction by the Scottish Ministers



## **SCOTTISH PUBLIC SERVICES OMBUDSMAN DIRECTION BY THE SCOTTISH MINISTERS**

The Scottish Ministers, in pursuance of paragraph 15 (1) of Schedule 1 of the Scottish Public Services Ombudsman Act 2002, hereby give the following direction.

The statement of accounts for the financial year ended 31 March 2006, and subsequent years, shall comply with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual (FReM) which is in force for the year for which the statement of accounts are prepared.

The accounts shall be prepared so as to give a true and fair view of the income and expenditure and cash flows for the financial year, and of the state of affairs as at the end of the financial year.

This direction shall be reproduced as an appendix to the statement of accounts. The direction given on 1 December 2004 is hereby revoked.



**Signed by the authority of the Scottish Ministers  
Dated 6 November 2006**

**SCOTTISH  
PUBLIC  
SERVICES  
OMBUDSMAN**



**People Centred | Improvement Focused**

**Scottish Public Services Ombudsman**

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Laid before the Scottish Parliament by the Scottish Public Services Ombudsman in October 2020 in pursuance of section 17(1) and (3) of the Scottish Public Services Ombudsman Act 2002.