20 November 2006

Convener
Finance Committee
The Scottish Parliament
EDINBURGH
EH99 1SP

Dear Convener,

On behalf of the Ombudsman, I am writing to clarify a number of points raised during the evidence given to the Committee on Tuesday 14 November by John Scott MSP and Ian Leitch, SPCB Director of Resources and Governance. I hope that my comments will reassure the Committee about the SPSO’s control of our budget and operations, as well as set the record straight and provide members with a fuller picture of the budget process than they received at the evidence session.

Most notably, I would like to give the Committee an understanding of why there was a marked difference between our original and revised submissions. John Swinney MSP asked how the SPSO could ‘ditch 25% of running costs’ and the answer given was incomplete. As any examination of correspondence between my office and the SPCB would demonstrate, the bulk of the reduction was achieved by our removing the monies for setting up a proposed second location (possibly in Glasgow). This had been discussed during the budget process with SPCB officials.

Additionally, we removed any provision to replace the three Deputy Ombudsmen when they leave office next September and we also removed any allowance for inflation on non-staff costs. As we explained at the time to the SPCB, the savings are not easy and not without risk. The Ombudsman informed the SPCB that she intended to monitor the situation and report to the SPCB on a regular basis.

In response to a comment by John Scott MSP that ‘we have suggested to the Ombudsman that she might wish to reduce her advertising budget’, I would like to advise the Committee that the SPSO does not spend money on advertising. We have never advertised for business and increasing our workload. Instead, we have an Outreach Strategy and budget which is focused on helping bodies under our jurisdiction to handle complaints well and thus reduce the number of complaints referred to the SPSO.

The Ombudsman will be responding to the Presiding Officer’s invitation for her to comment on the budget process. That letter will outline her concerns over broader issues raised in the evidence session and the budget process in general. The Committee shall, of course, be copied in on that correspondence.
Should you or any other member of the Committee have any further questions, I would be pleased to answer them.

Yours faithfully

Richard Smith
Director of Corporate Services