

**INDEPENDENT
HOUSING
OMBUDSMAN
LIMITED**

BUSINESS PLAN & BUDGET 2009 – 2014

Enabling fair and early dispute resolution in housing

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The administering company for the Independent Housing Ombudsman Scheme
Registered number: 3290221*

The Independent Housing Ombudsman Scheme is approved under the Housing Act 1996

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Business strategy

Mission

Enabling fair and early dispute resolution in housing.

Vision

Awareness – access – understanding

In order to provide effectively the service that statute requires of the Housing Ombudsman our ambition is to ensure that all those who are entitled to it know where we are, understand what we can and cannot do, are helped as quickly as possible and find it swift and effective.

Values

- Working together
- Integrity
- Solution focused
- Excellence
- Respect

Philosophy

We want to ensure that housing providers comply with, and housing consumers respect, our determinations. Therefore we must provide a complaint-handling and dispute-resolution service which is trusted, valued, and respected because it is:

- Fair
- Independent
- Non-partisan
- Effective
- Efficient
- Transparent
- Appropriate
- Proportionate

In essence, we provide a high quality, impartial service to people who live in or who supply or manage housing. We are not regulators. We are conciliators and problem-solvers. We provide objective solutions. We make a positive contribution to the quality of housing within our jurisdiction in two ways:

- (1) We enable and encourage providers to improve their standards of housing management through our independent and objective role by:
 - (a) explaining the advantages of complying with our determinations;
 - (b) highlighting instances of good practice revealed by our process, and
 - (c) delivering free training on effective complaint handling to providers and residents
- (2) We help to improve residents' individual and shared amenity, environment, and quality of life.

Strategic Intent

Our primary strategic intent is to achieve continuous improvement in the quality and effectiveness of our service delivery as the statutory Housing Ombudsman.

Aims

Our strategic aims are:

- 1) to be a recognised centre of excellence for dispute resolution in housing.
- 2) to have an organisational culture that aligns to and supports our Mission, Vision, and Values.
- 3) to have lean, smart, professional systems that are controlled, flexible, and exemplars of good practice.

Context

This Business Plan sets out our strategy for the next five years. We intend to continue to achieve overall improvements in service delivery by balancing quality, cost, and speed. The essence of our planning is to put ourselves in the strongest position possible to meet the challenges that might arise from the uncertain environment in which we operate. For this reason, the factor that most crucially influences our priorities is making sure that our people and our systems are competent and flexible.

Over the course of the Plan the jurisdiction of the Ombudsman might expand or it might contract. Either way, our ambition is to be recognised as 'ombudsman of choice'. The aims, objectives, and actions set out in the Plan demonstrate how we intend to achieve that ambition. Essentially this means engaging with and being sensitive to the needs of our service users and stakeholders; reinforcing a culture that expects, recognises, and rewards excellent performance; and ensuring that our external and internal customers are served and supported by appropriate systems.

Already, we have fundamentally revised our core process to align precisely with our mission which is to enable early and fair dispute resolution in housing. Also, our new casework management system has been specifically designed to fit the new process. What we

shall be doing next is to use the new system to collect and analyse more extensive data which, in turn, will enable us to set smarter targets and performance indicators for the business as a whole. We shall also be using information from the new system to demonstrate further our cost effectiveness and value for money especially in the light of the changes we shall be making to our finance, management, and HR systems.

Our performance has improved over the last five years and we want that to continue over the next five years. For instance, we no longer have a waiting list of cases and where we resolve a dispute by investigation the average time it takes is 23 weeks compared with 49 weeks four years ago. Equally, we shall be continuing to engage with users and stakeholders to improve our customer care and influence.

An uncertain environment

In putting together this Plan and the budget for 2009-2010 we have been mindful of two factors; the national and international economic climate, and the several options for redress in an extended social housing domain.

When setting out our aims and objectives and addressing the funding for the next period of our Plan we have been particularly sensitive to the financial consequences of the 'credit crunch' and the recession and the resulting challenges already being presented to many members of the Scheme. Accordingly, we have decided on a subscription of £1.34 per unit for 2009-2010. This represents an increase of 4.7% compared with last year. It equates to 0.3% below RPI for September 2008 and is, again, lower than the average increase in rents expected in the registered provider sector in the relevant period.

In its response to the recommendations of the Cave Review, the Government concluded that the separate arrangements for Ombudsmen that applied in the RSL and in the local authority sectors should continue for the time being. The Government said it intended to work with the Housing Ombudsman and the three Local Government Ombudsmen to help them achieve more streamlined working on cases that involved housing and other services. However, the Government also stated that it intended to explore with the four ombudsmen and other interested parties whether these separate arrangements should continue, or whether they should be combined under a single housing ombudsman for social housing as Cave recommended.

Since then, the Housing and Regeneration Act 2008 has made provision for the Tenant Services Authority (TSA) to be the new regulator for social housing. It replaced the Housing Corporation in respect of that function with effect from 1 December 2008. It is envisaged that local authority housing will be brought within the remit of the TSA in the spring of 2010.

The communities and Local Government Select Committee has stated that the potential for domain-wide regulation has also raised the issue of domain-wide dispute resolution. The Committee has noted that the Housing and Regeneration Act has retained the remit of the Housing Ombudsman to hear complaints against social housing providers. Its view was that along with a domain-wide regulator there should also be the same single agency:

“...dealing with complaints from tenants of housing associations, currently subject to Housing Ombudsman oversight, and local authorities, which are currently under the oversight of the Local Government Ombudsmen. With greater interaction between local authorities and housing associations, an efficient dispute resolution system will also be required.”

The government’s response to this proposal is that it agrees that there may be potential benefits in having a similar ombudsman system across the social housing domain but that is contingent on having a single regulatory system for social housing. The government will consider the case for the former once the latter is in place.

The Rugg and Rhodes report supports the need for a system of effective, independent redress in the private rented sector (PRS). The report does not specify or recommend in detail a model for such a system. All of the arguments in favour of an ombudsman being an essential feature of a redress scheme are as powerful now as they ever were. It is not necessary to rehearse them all here. It is enough for now to remember that the Housing Ombudsman has a statutory provenance; he is independent and impartial and his Service has experience and expertise in the private as well as in the social rented sector. The entire thrust of the aims, objectives, and actions in this Business Plan is to deliver early and fair dispute resolution in housing. If the Rugg and Rhodes review sparks any further debate and discussion on redress in the PRS we shall continue to contribute to it. The Review recommends an ‘effective housing justice network’ for the PRS. We believe that any such network would be ineffective without the presence of the Housing Ombudsman.

Meeting our strategic aims

Our primary strategic intent is to achieve continuous improvement in the quality and effectiveness of our service delivery as the statutory Housing Ombudsman.

Our first aim is to be a recognised centre of excellence for dispute resolution in housing.

We shall be gathering information from the people we serve to find out what they want from us. Once we fully understand the needs of residents, landlords, and managing agents we can shape our services to meet them. We shall also be looking to be more effective in the ways in which we engage with and influence our other stakeholders. It is important to us that we make it clear to people why they should choose the Housing Ombudsman as their redress scheme. To make this happen we have designed an ambitious programme that includes a customer focus action plan and a stakeholder perception study. We shall also be developing a new communications and engagement strategy aspects of which will ensure that we continue to concentrate efforts and resources on raising awareness of the Service and making access to it easy for all who have legitimate and unresolved complaints and disputes involving member organisations.

Our second aim is to have an organisational culture that aligns to and supports our Mission, Vision, and Values. The culture we need to ensure excellent performance will require the development of a more flexible workforce and one of its key features will be demonstrated by the further steps we shall take to achieve our desire to be a learning-centred organisation and an ‘employer of

choice'. We shall build this culture by devising a reward and recognition strategy, defining performance management criteria and expectations, developing 'Employee Voice', modernising our HR policies and practice, and reviewing our learning and development strategy and our performance management systems.

Our third aim is to have lean, smart, professional systems that are controlled, flexible, and exemplars of good practice. We do not want any systems that cannot be strictly justified in terms of supporting the other strategic aims in the Plan and the Mission Vision and Values of the organisation. It is important, therefore, that they demonstrate the effectiveness of our strategy and performance. To that end we shall be developing effective planning processes that involve stakeholders and strengthening our governance framework. Specifically, we shall be reviewing our planning processes, rationalising our business intelligence and knowledge management activities, completing a governance review, and planning for external validation of our systems through the EFQM Excellence Model.

Primary Strategic Intent

Our primary strategic intent is to achieve continuous improvement in the quality and effectiveness of our service delivery as the statutory Housing Ombudsman

Fundamental Objectives			Accountability
Statute Achieve the objectives of the Housing Act 1996 and of the Scheme approved by the Secretary of State			Annually to Parliament and Secretary of State through annual report and accounts Ombudsman as Accounting Officer
Business results Achieve the following key performance indicators (further detail appended to the plan):			Annually to Parliament and Secretary of State through annual report and accounts Ombudsman as Accounting Officer Quarterly to IHOL Board Monthly financial reporting to CLG
Measure	Target	Timescale	
1. Tenant awareness	52% 60%	As at March 2010 As at March 2012	
2. Service user perceptions	TBA	By 30/11/2009	
3. Stakeholder satisfaction	TBA	By 30/11/2009	
4. Customers' first contact	100% of new complaints receive response within 15 working days	Year ending March 2010	
5. Perception measures	2 mini-surveys	By 31 March 2010	
6. Average time to complete investigation	20 weeks	Year ending March 2010	
7. Time to complete all investigations	43 weeks	Qtr ending March 2010	
8. SUR – training seminars	54	Year ending March 2010	
9. SUR – conference attendance	8	Year ending March 2010	
10. SUR – promotional events	8	Year ending March 2010	
11. Annual staff satisfaction	70% or above	As at December 2009	
12. Annual staff turnover	15% or below	Year ending March 2010	
13. Annual staff absence	3% or below (ex long term) 7% or below (inc long term)	Year ending March 2010 Year ending March 2010	
14. Further Human capital measures	TBA	By 31/11/2009	
15. External audit	Unqualified	As at 31 March 2010	
16. Annual spend against budget	Within agreed budget	As at 31 March 2010	
17. Cost per case	2% year on year reduction	As at 31 March 2010	
18. Value for money	Satisfactory procurement report	Year ending March 2010	
Development			Quarterly to IHOL Board
Achieve development and project targets as set out under the contributory aims in			

this plan			
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Strategic Aim 1: Customers & Engagement

We aim to be a recognised centre of excellence for dispute resolution in housing

Objectives

- A - To understand our users' needs and use this knowledge to shape our services**
B - To engage with and influence our stakeholders
C - To make it clear why people should choose us

Activities

Action	Milestones	Timescale	Resources	
1	Develop a Communications & Engagement Strategy	Agree procurement tender objectives Engage consultants Articulate C&E Strategy including: - <i>Service branding</i> - <i>Promotion plan</i> - <i>Marketing plan</i> - <i>Accessibility plan</i>	April 09 Board 30-06-09 Oct 09 Board Jan 10 Board	£10,000 TBC as determined in Strategy
2	Deliver Customer Focus Action Plan covering: - <i>Website development</i> - <i>HOS literature</i> - <i>Landlord complaints procedures</i> - <i>Advocacy</i>	Summary and proposals for referral to C&E strategy Launch new Website Leaflets review New HOS/TSA/NHF leaflet Proposals for action	30-04-09 30-04-09 31-07-09 31-03-10 31-10-09	£5,000 £3,000
3	Design a Stakeholder Perception Study	Research format Run first study and report with recommended KPIs	30-06-09 31-10-09	£10,000
4	Publish casework decisions on Website	Launch joint initiative with House Mark	30-04-09	

5	Explore accreditation schemes	Feasibility decision	31-03-10	
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Strategic Aim 2: Culture

We aim to have an organisational culture that aligns to and supports our Mission, Vision and Values

Objectives

D - To promote a Performance Culture and become a learning centred organisation
E - To become an 'Employer of Choice'
F - To develop a more flexible workforce

Activities

Action	Milestones	Timescale	Resources	
6	Rationalise Performance Management systems	Define Performance Culture	31-03-09	
		Review performance management systems:		
		<u>Stage 1</u> Performance - review competencies	31-03-09	1 day validation Consultancy £1,000
	<u>Stage 2</u> Personal Development - review mechanisms	31-03-10	Consultancy £1,000	
7	Articulate Learning & Development strategy		30-06-09	1 day validation
	Review L&D policy, planning and establish L&D KPIs		31-03-10	Consultancy £1,000
8	Devise a Reward & Recognition Strategy	Conduct 2009 Salary Survey (Staff & Board)	31-10-09	Consultancy £7500
		Articulate R&R Strategy	31-1-10	Part of above Consultancy

		Review R&R policies	31-3-11	£7500 (10/11 budget)
9	Devise Involvement & Communications Strategy	Articulate I&C Strategy	30-4-09	
		Establish I&C framework	30-4-09	
10	Devise Employee Resourcing Strategy	Articulate ER Strategy	31-07-09	Consultancy £2500
		Establish ER framework	30-10-09	
11	Modernise HR policies and practice	Review union recognition agreement	30-4-09	Consultancy support £15000
		Prioritise policy review stages	31-07-09	Legal advice £15000
		Policy review stage 1	31-3-10	
12	Review Pension Fund provision	Commission review based on 31-03-10 valuation (expected to be received by 03-11) - Agree procurement tender objectives - Engage Consultants - Recommendations to Board	Oct 10 Board 31-01-11 July 11 Board	TBC

Strategic Aim 3: Systems

We aim to have lean, smart, professional systems that are controlled, flexible and exemplars of good practice

Objectives

G - To develop effective planning processes that involve stakeholders
H - To demonstrate effectiveness of strategy and performance
I - To the strengthen Governance Framework

Activities

Action		Milestones	Timescale	Resources
13	Review planning processes	<p>Investigate planning software and tools available.</p> <p>Develop software and tools to meet our needs.</p> <p>Revise and develop methodology for planning to meet our needs.</p>	<p>31-03-09</p> <p>30-06-09</p> <p>30-06-09</p>	£2,000
14	Rationalise Business Intelligence activities	<p>Develop/review KPIs for:</p> <ul style="list-style-type: none"> - Human Capital - VFM - DR activities - Access and awareness - Stakeholders <p>Revise Balanced Scorecard methodology.</p> <p>Design revised Balanced Scorecard to suit organization.</p> <p>Implement revised Balanced Scorecard</p> <p>Design/develop business intelligence network/system to gain relevant information.</p> <p>Analyse information received through network and build into planning processes.</p>	<p>31-11-09</p> <p>31-03-09</p> <p>31-11-09</p> <p>31-11-09</p> <p>31-10-09</p> <p>31-03-09</p> <p>31-03-09</p> <p>31-12-09</p> <p>30-06-09</p> <p>30-09-09</p>	£1,000
15	Rationalise Knowledge Management activities	<p>Understand principles of Knowledge Management and best practice in implementation.</p> <p>Formulate and implement systems for information research & management (link to Business Intelligence).</p> <p>Review and re launch library & e-library.</p>	<p>30-06-09</p> <p>31-11-09</p> <p>30-09-09</p>	
16	Plan for EFQM external validation of systems	Complete further detailed self assessment	30-9-09	

		Set out plan for external accreditation	31-3-10	£7500
17	Complete Governance Review	Scheme & MSFM - Agree S&MSFM - Consult on new Scheme - Ministerial approval - Launch revised Scheme Undertake annual external audit	30-4-09 31-10-09 31-01-10 31-01-10 30-06-09	£5,000
18	Complete review of Directors code		30-4-09	
19	Implement Externally provided Internal audit function	Develop ongoing internal audit planning processes to meet internal control requirements.	01-04-10	£10,000 pa
20	Design audit of effectiveness of DR process	Design audit process re effectiveness of DR process.	30-06-09	
21	Develop effective data handling policy & procedures	Agree standards to be applied with CLG/Cabinet office Agree & implement policy and procedures	30-04-09 30-06-09	

Key Performance Indicators

	Indicator	Target
1	Tenant awareness	Raise to 52% as at March 2010 Raise to 60% as at March 2012
2	<i>Service user perceptions</i>	<i>KPI to be agreed by 30/11/2009</i>
3	<i>Stakeholder satisfaction</i>	<i>KPI to be agreed by 30/11/2009</i>
4	Timescales in responding to customers' first contact with the dispute resolution process.	100% of new complainants receive response within 15 working days in year ending 31 March 2010
5	'Perception measures' for the work conducted in the 'gateway' of the dispute resolution process.	2 mini-surveys to measure extent to which HOD addresses customer's expectations in Gateway by 31 March 2010
6	Average time to complete our investigations (from confirmation that landlord's internal complaint process is completed to determination)	20 weeks in year ending March 2010
7	Time taken to complete all investigations	43 weeks in quarter ending March 2010
8	<u>SUR activity</u>	Year ending March 2010
9	Training seminars	54
10	Conference attendance	8
10	Promotional events	8
11	Annual staff satisfaction	70% or above as at Dec 2009
12	Annual staff turn-over	Year ending March 2010 15% or below
13	Annual staff absence	Year ending March 2010 3% or below (ex long term) 7% or below (inc long-term)
14	<i>Further Human Capital measures</i>	<i>To be agreed by 31 November 2009</i>
15	External audit	Unqualified audit opinion each financial year.
16	Annual spend against budget	Within agreed budget as at 31 March 2010
17	Cost per case	Year / year reduction of 2% as at 31 March 2010
18	Value for money	Internal audit - satisfactory report of effectiveness of Procurement Procedures for year ending March 2010.

BUDGET 2008/9 – 2013/14

2009/10 BUDGET - RESERVES FORECAST

	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Projected units	2,544,514	2,636,371	2,715,462	2,796,926	2,880,834	2,967,259
Discounted units			15,000	15,000	15,000	15,000
Forecast unit rate	1.28	1.34	1.34	1.38	1.42	1.46
Previous unit rate + inf (0% applied to 10/11, 3% thereafter)			1.34	1.38	1.42	1.46

INCOME RECEIVED

Subscriptions	3,238,169	3,518,133	3,623,644	3,844,790	4,079,417	4,328,348
Interest	129,106	34,456	35,490	36,554	37,651	38,780
Debtor interest	4,517	4,000	3,500	3,500	3,250	3,000
Total income	3,371,791	3,556,589	3,662,634	3,884,844	4,120,318	4,370,129

EXPENDITURE Summary

A1	Staff costs	2,171,690	2,231,602	2,393,829	2,615,461	2,741,985	2,872,305
A2	Travel & subsistence	23,075	25,627	27,633	29,232	30,901	32,644
A3	Board	75,705	73,157	74,620	76,859	79,165	81,540
A4	Staff training	78,296	78,471	80,040	82,441	84,915	87,462
A5	Staff recruitment	42,302	37,038	37,779	38,912	40,079	41,282
B1	Accommodation	397,800	399,855	399,855	415,234	447,826	480,963
B2	Office running costs	68,380	69,731	69,731	75,190	79,538	84,081
B3	Insurance	11,872	9,177	9,177	9,895	10,467	11,065
B4	Publicity & promotion	79,874	97,738	97,738	99,693	102,683	105,764
C1	External dispute resolution	10,500	2,000	2,000	2,040	2,101	2,164
C2	Other fees	94,912	122,649	122,649	125,102	128,855	132,721
D	IT	51,765	65,690	74,355	84,720	82,909	85,400
E	Depreciation	92,000	114,000	117,505	115,895	120,456	119,433
	Taxation	27,112	7,236	7,098	7,311	7,530	7,756
	Total Expenditure	3,225,282	3,333,970	3,514,008	3,777,985	3,959,412	4,144,579

Surplus/(Deficit) before contingency	146,509	222,618	148,625	106,859	160,906	225,549
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Contingency	49,573	166,699	175,700	188,899	197,971	207,229
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Surplus/(Deficit) after contingency	96,936	55,920	-27,075	-82,040	-37,065	18,320
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Depreciation	92,000	114,000	117,505	115,895	120,456	119,433
Cash Expenditure	-97,000	52,000	52,000	47,000	43,000	42,000

Cash surplus (deficit)	91,936	221,920	142,430	80,855	126,391	179,753
Cash reserves b/f	884,241	976,177	1,198,097	1,340,527	1,421,382	1,547,774
Cash reserves c/f	976,177	1,198,097	1,340,527	1,421,382	1,547,774	1,727,527

Reserves targets

3 mths exp +5%	967,585	1,000,191	1,054,203	1,133,396	1,187,824	1,243,374
<i>cash reserves f/c as % of 3 mths +5% target</i>	101%	120%	127%	125%	130%	139%
Pension deficit less £120,000 contributions	1,800,000	1,680,000	1,560,000	1,440,000	1,320,000	1,200,000