

**Business
Plan**

**Housing
Matters:
Fairness
Matters**

2017-2018

Ombudsman's foreword

It is 20 years since the Housing Ombudsman Service (HOS) was first established and the organisation continues to provide an extremely valuable service to both landlords and residents.

This is my last business plan as Housing Ombudsman and I am honoured to have been a part of HOS' story of continuing development. I am very proud of all I and the team have achieved. Having begun the transformation programme in 2015-16, this year we have made our vision **Housing Matters: Fairness Matters** a reality and really begun to deliver the service we expect of others. In 2017-18 and beyond, I expect the service to go from strength to strength.

In February 2017 I undertook an extensive consultation with our members, tenant organisations and other stakeholders in the sector. I asked participants their views on our service and what more they would like us to do, their predictions for the future volume of complaints and sought views on a suggested range of services and fee level of £1.25 per unit.

I was enormously impressed by the level of engagement engendered by the consultation. We held four round table discussions, discussed the proposals with tenants at three regional events held by the Tenants Participation Advisory Service and held 1:1 meetings for people who could not make events. We also received 47 written responses. Participants included individual tenants, chief executives and other senior colleagues from member landlords, the National Housing Federation, Chartered Institute of Housing, the Tenants Participation Advisory Service, the National Association of ALMOs and the Tenants' and Residents' Organisation of England. The landlords that took part in our discussions or responded in writing represent nearly a quarter of the 4.8m households covered by our Scheme.

Everyone involved in the consultation welcomed the process and said how helpful it was to have direct engagement with me as the Ombudsman to discuss the future development of the service. All supported our overall vision and approach.

We gained a great deal of insight ourselves into the wider changes that are likely to impact on our work and it was interesting to see how the sector is evolving. We were able to draw out a number of key themes as to what our respondents said they wanted from an improved service. There was a clear desire for a continued focus on local and early resolution, faster response times on formal decisions, more sharing of best practice and better customer insight and data including more targeted work to support the sector. It is clear that as the sector is changing what is required of our service is changing. We are dealing with a wider range of complaints and the nature of our engagement with our members also needs to develop.

We have taken the findings into account in developing this plan, alongside the feedback we receive about our service from landlords and residents on closed cases throughout the year.

The majority of respondents to the consultation gave us a clear view that they would be willing to pay a £1.25 subscription fee in return for continuing improvements in service and greater certainty

about fee levels beyond next year. A sizeable minority were in favour of a subscription fee above £1.25 in order to improve our service further.

This plan is based upon a £1.25 fee as we believe that this will provide the improved service the sector needs. We think this will also allow us to generate an increasingly effective operating model e.g. by improving customers access to business insight and, over time, more self service facilities. Our intention is to keep the subscription fee at the same level until 2019-20.

The plan sets out how we will build on our existing achievements to continue to develop our people, processes, systems and working environment over the next year and beyond. We aim to meet the challenges identified and continually improve the service for our customers. I believe this plan provides a realistic framework to deliver our strategic objectives.

I am also conscious that the debate about the Public Service Ombudsman continues. The government have now published a draft Public Service Ombudsman Bill which includes provision to allow social housing complaints to be brought within the body's remit at some time in the future. Any plan to bring this into law goes beyond the lifetime of this plan but the consultation on the kind of service our customers would prefer has been extremely useful in informing my own and my team's engagement on this issue. My own view remains that the key question is the extent to which any new service meets the needs of our existing and potential customers in the public and private sectors, and that any new service retains the high level of engagement and credibility with customers evidenced through the consultation on this plan.

I would like to thank all those who have helped us deliver our work this year and to develop the plan for next year, in particular my team and those who responded to the consultation.

Denise Fowler, Housing Ombudsman

Our role

The purpose of the Housing Ombudsman as set out in the Housing Act 1996, as amended by the Localism Act 2011, is to enable tenants and other individuals to have complaints about members investigated by a Housing Ombudsman in accordance with a scheme approved by the Secretary of State.

Under the terms of the scheme approved by the Secretary of State which took effect on 1 April 2013 the role of the Ombudsman is to:

- a) Resolve disputes involving members of the Scheme, including making awards of compensation or other remedies when appropriate
- b) To support effective landlord-tenant dispute resolution by others

Our vision

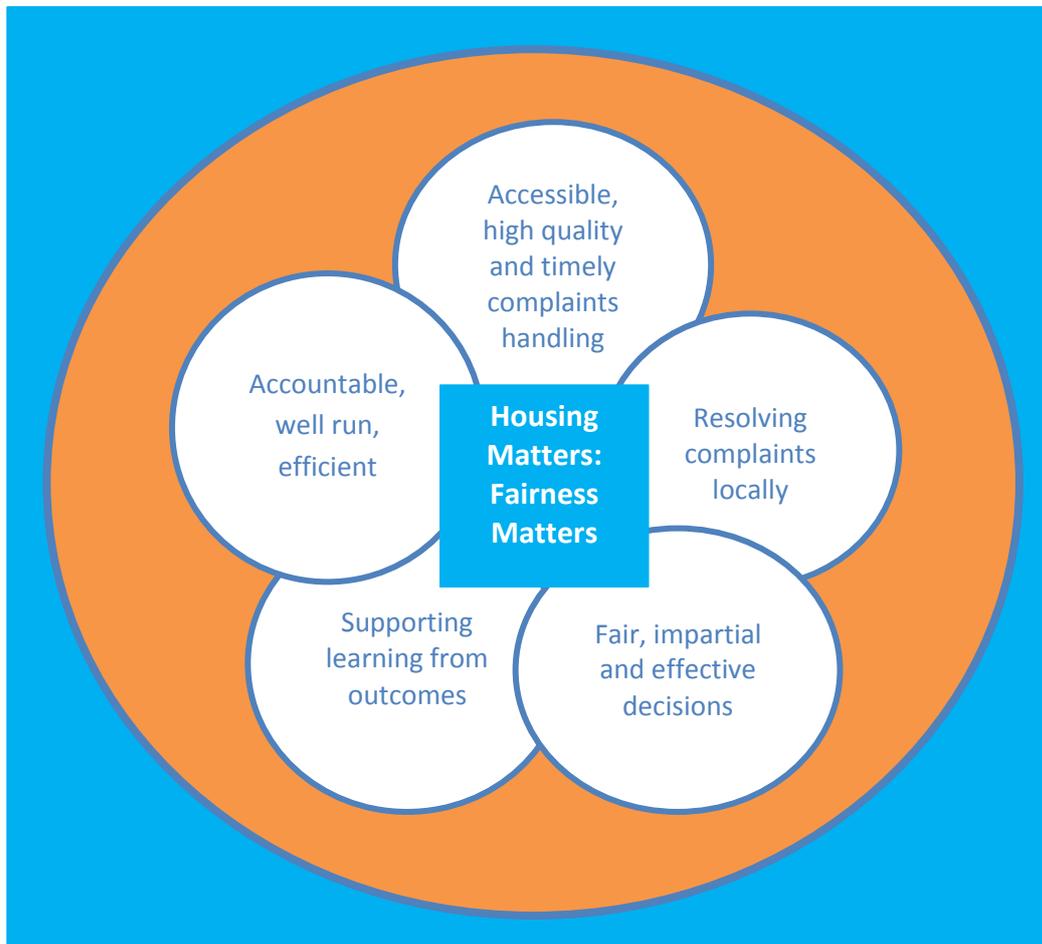
Housing Matters: Fairness Matters

We understand the importance of housing to people's lives. We ensure the fair and impartial resolution of housing complaints, locally where possible. When things go wrong we put things right and encourage learning from outcomes. We help improve landlord and resident relationships. We role model the service we expect of others.

Everyone's home is a personal, private space, which is central to every aspect of our lives. Housing complaints are unique. Problems relating to our homes can have a huge emotional impact, as they affect us and our families every day. Landlords and residents have an ongoing relationship. If things go wrong, issues can escalate and relationships sour. Residents need to have confidence that any issues they raise will be dealt with fairly and impartially, whether by us or by their landlords.

We cannot guarantee the outcome but we can ensure a fair process. We recognise the importance of people's homes, treating individuals with dignity and respect. We seek to enable issues to be resolved at the earliest opportunity, building trust and improving landlord and tenant relationships. We will encourage landlords to have a positive view of complaints, seeing them as feedback, helping to improve complaint handling and housing services.

Our strategic objectives



- 1.** We will deliver an accessible, high quality and timely complaints handling service
- 2.** We will support landlords and residents to resolve more complaints locally
- 3.** Our decisions will be recognised as fair, impartial and effective
- 4.** We will support landlords to learn from outcomes
- 5.** We will be an accountable, well run organisation, using our subscription monies wisely

Our core values and behaviours

We will act fairly and impartially

Fairness and impartiality is central to all we do. We are committed to acting without discrimination or bias, fairly and ethically at all times and implementing fair systems and processes.

We will be open and accountable

We act in an open and transparent way. We are accessible, ensuring information is made widely available using multiple channels. We create a climate of support and accountability which helps us to be open to challenge and scrutiny, answerable for our actions, and to take individual and collective responsibility. We are held to account by parliament, government, our customers and other stakeholders for the quality of our service and for delivering on our commitments.

We will empower and respect those we work with

We respect and value those we work with. We respect the skills and experience of others. This helps us to offer the right level of support and guidance to empower those we work with, enabling responsibility to be taken, informed decisions and choices to be made and high standards to be achieved.

We will be proactive and take responsibility for achieving results

We take a proactive approach, taking responsibility to deliver the best results we can and to achieve our goals. We are always striving to exceed expectations and targets.

We will work as One Team within HOS and collaboratively with others

We work together as one team to a shared vision, common goals and targets. We maintain consistency in our actions, messages and behaviours. We work with others, nurturing a collaborative approach, respecting others' views and sharing ideas.

We will be curious, always seeking to learn and improve

We learn from outcomes to make continuous improvements. We ask probing questions, invite and act on feedback and are consistently striving to learn and improve, seeing learning as central for improvement.

Our membership

Membership is compulsory for registered housing associations and local authority landlords. Some private landlords also choose to use our service as voluntary members. In 2015-16 we had 2,368 landlords in our membership, representing 4,751,430 housing units as at 31 March 2016. By the end of December 2016 this had risen to 2,477 members, representing 4,773,274 units.

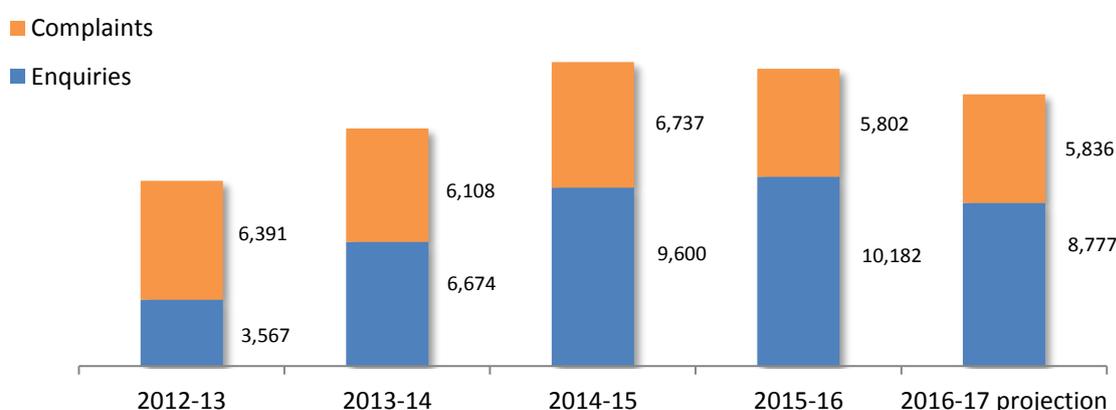
In 2017-18 we expect the number of members to remain stable or increase slightly but the number of units to increase. We expect to see an increase in the number of private rented sector (PRS) units as registered providers expand their PRS portfolios. So far few large PRS landlords have joined the scheme but competition from housing associations may encourage some large private sector landlords to join.

Complaint trends

Complaints received

In 2015-16 we received 15,984 enquiries and complaints and closed 16,166. This is 60% more than in 2012-13.

Complaints and enquiries received



By December 2016 the number of enquiries had decreased by 14% compared to 2015. The volume of complaints has remained steady but the number of cases received within our formal remit had increased by 15%. The cases within our formal remit are the most complex and require the most resources so this has been a significant challenge.

Based on our complaint trends and feedback from the sector during our consultation, we anticipate that next year the number of enquiries will remain broadly the same but there will be an increase in the number of complaints, particularly those requiring investigation within our formal remit.

This would mean we would receive around 15,000 enquiries and complaints overall which would include a 10% increase in complaints and a 20% increase in complaints within our formal remit. This

would represent around 580 more complaints received, with around 320 more cases for formal investigation in 2017-18.

The majority of those responding to the consultation agreed that complaint volumes are likely to continue to increase, though exact numbers are difficult to predict. Some felt that we were underestimating the potential volumes.

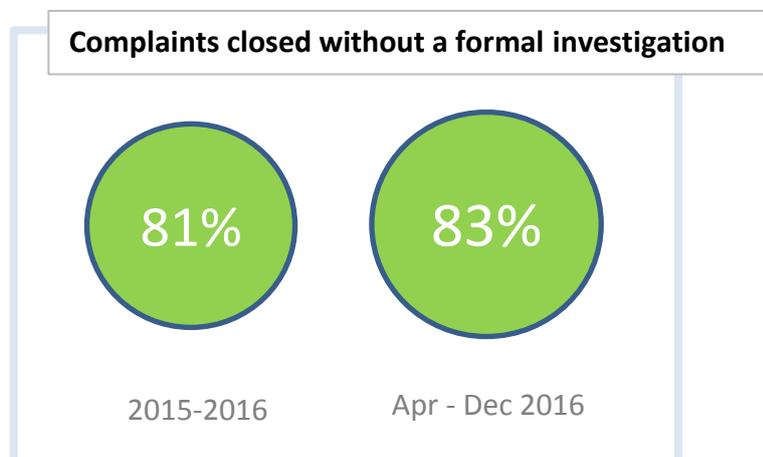
Respondents said that changes in the sector are likely to impact on the demand for our service. This includes the 1% rent reduction and the implications of welfare reform which are continuing to drive change. Landlords are reviewing their operating models to ensure value for money, financial viability and to facilitate the provision of more homes. Changes to landlord's structures and operating models, including mergers, and new organisations, including local housing companies, will take time to bed in. Good communication is important otherwise new roles and responsibilities can be unclear which can lead to difficulties and residents' expectations regarding services need to be managed effectively if complaints are to be avoided. Many landlords are also taking on new areas or expanding different areas of their business. We have seen lots of examples of very positive work being done by landlords to engage with tenants to manage these changes, often co-designing services, but the sheer volume of change is in itself likely to be a driver for complaints.

Some respondents also mentioned changes to the population of social housing tenants with significantly more vulnerable and younger tenants. Vulnerable tenants have more difficulty dealing with any issues arising in relation to their tenancies. They will need more support including from the Ombudsman. Younger people were said to be more willing to complain about bad service. Difficulties with repairs contracts were also mentioned by several respondents, particularly in London.

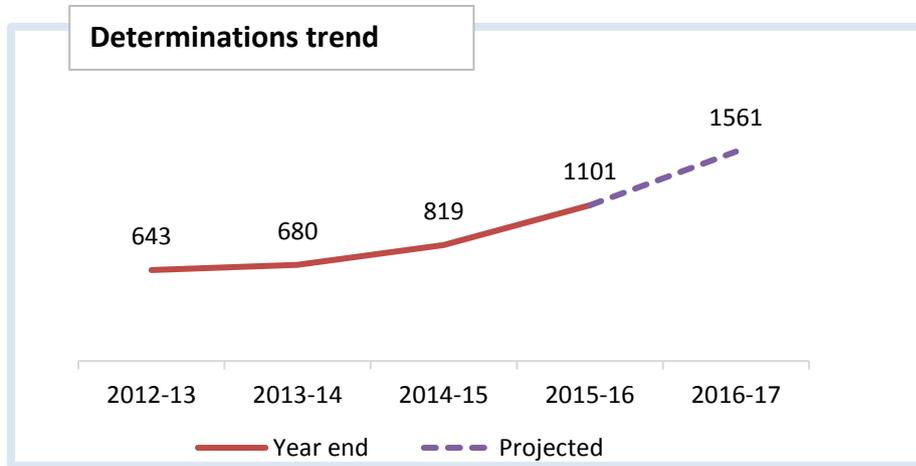
There is also the potential for an increase in membership from the private rented sector, particularly from build to rent investors. The private rented sector has been growing rapidly in the last few years and now accounts for 4.5m households in England.

Complaints completed

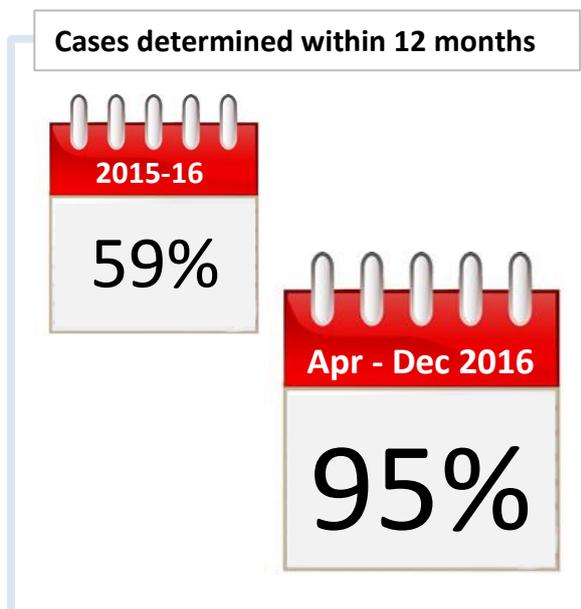
Our focus on local resolution means that the majority of cases we receive are resolved with our assistance without requiring a formal investigation.



However, where a complaint cannot be resolved earlier it will go forward into our formal remit for investigation. We have improved our productivity in this area over the last two years, which has helped to tackle the backlog of cases and means that the number of complaints determined has increased significantly, as shown in the graph below.



Having tackled the backlog, the age profile of our cases has reduced significantly as shown.

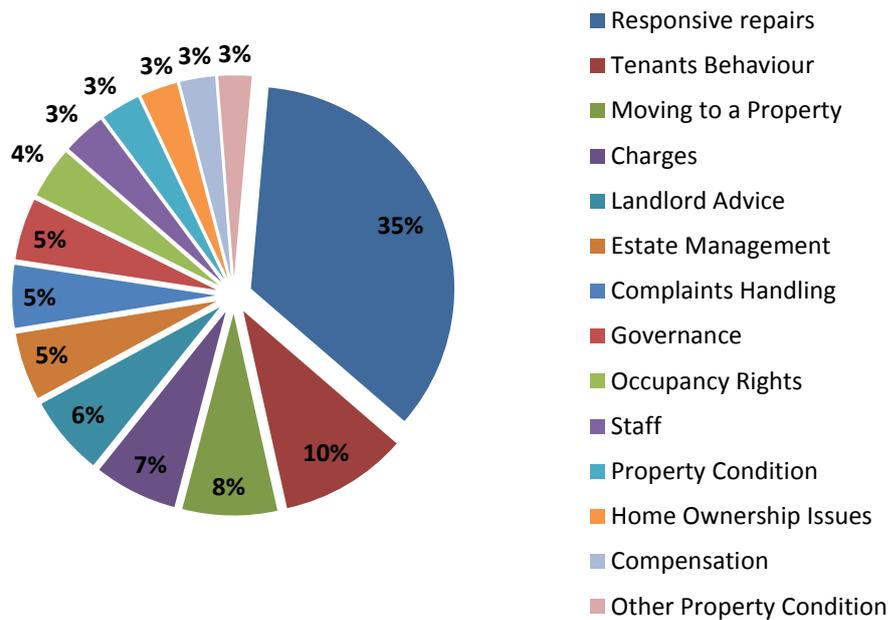


However, the majority of the respondents to the consultation confirmed they would like to see improvements in the average time taken to determine cases in our formal remit. This is still expected to be just below nine months by the end of 2016-17. Most respondents agreed that an average timescale of six months in 2017-18 would be acceptable for a subscription fee of £1.25 per unit. The majority said they would rather pay “upfront” this year to ensure they received the improved service as soon as possible than pay small increases in the subscription fee year on year to achieve incremental improvements in service. The quid pro quo would be greater certainty about fee levels in future years. All agreed that we should maintain our aim that no cases should be older than 12 months.

Types of complaints

The breakdown of complaints received to the end of December 2016 is set out below. Our complaint categories have remained fairly consistent over the last few years with the largest category being responsive repairs followed by tenants' behaviour.

The proportion of complaints about complaint handling has reduced from previous years. We believe this is in part due to our work with landlords to improve their complaint handling.



In future respondents to the consultation expected there to be more complaints about leasehold issues, including shared ownership and about market rented properties.

Delivering our strategic objectives: Year 2 of our Corporate Plan – realising and improving

SO1: We will deliver an accessible, high quality and timely complaints handling service

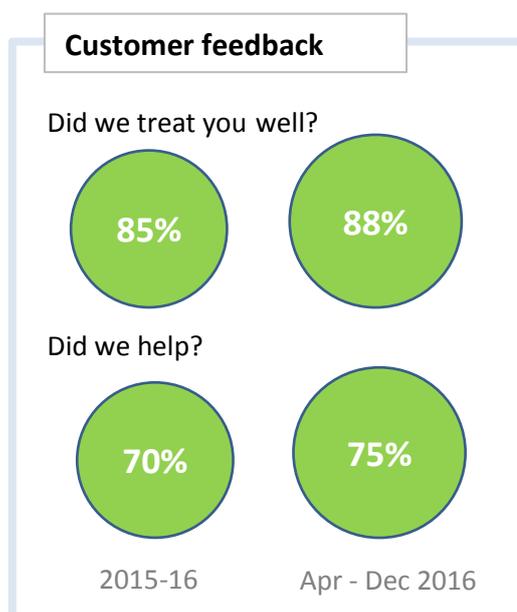
Our complaints handling service aims to ensure that we resolve complaints early, wherever possible. This ensures the best outcomes for complainants and improves landlord and tenant relationships. Where this is not possible we will investigate and determine cases with clarity and efficiency. We work closely with other Ombudsmen where complaints impact across the boundaries of our jurisdictions.

Our Dispute Resolution process



Our new Dispute Resolution Policy and Process began in April 2016, based upon our existing dispute resolution principles. It clarifies the different stages of our process and has been published on our website, providing improved transparency and openness. The process provides a better service to customers and increases our accountability, and was welcomed by our consultees. Throughout the year we have continued to develop our policies and processes at each stage based on our experience and our feedback from our customers. This work will continue in 2017-18.

We seek feedback from landlords and residents two weeks after cases close at all stages throughout the year. We assess the quality and effectiveness of our service by asking customers “Did we treat



you well” and “Did we help” every two weeks and we use this information to drive performance at an organisational, team and individual level. Feedback from both landlords and complainants has been very positive and it has enabled us to drive the culture change required to bring about the improvements shown on pages 7-8. We will continue to use this approach to drive performance in 2017-18.

Enquiries

We make sure that complainants can access the right service at the right time in the right way. We enable the widest possible routes of entry to our organisation, including by email, telephone and online. In 2016-17 we improved our website and social media presence to help complainants understand how to access our service and our role.

In 2017-18 we intend to introduce a new improved website which will be more accessible, much easier to navigate and contain much more useful information for complainants and landlords. As requested by landlords and complainants, we are exploring the extent to which we can incorporate any self-service options e.g. uploading evidence for complaints online at this stage but this may need to await our new casework management system.

We take a ‘no wrong door’ approach to enquiries and complaints to assist those who contact us to navigate the complaint journey, signposting them to other Ombudsmen, complaint handlers or advice agencies where appropriate. Our collaboration with other Ombudsmen and other agencies, e.g. Shelter or LEASE (the Leasehold Advisory Service) enables us to offer a supportive service even where the complaint is not for us.

We outsource our initial telephone enquiries to an external provider. In 2016-17 we ran an external competition to re-procure this service and expand the scope to cover initial email and web enquiries. Our consultation showed the premium that both landlords and tenants place on our telephone enquiries service and, in particular, its importance to vulnerable customers. We provide an excellent service in this regard so will continue to work with the provider to ensure the quality of the service during 2017-18 including, for example, training on working with vulnerable customers.

Complaints: Local and early resolution

Once a complaint has been made to one of our member landlords, we try to support local resolution between the complainant and the landlord. Our role is to empower landlords and residents, giving them the tools to resolve complaints themselves within the landlord’s procedure. This prevents problems escalating and improves landlord and tenant relationships.

Once a landlord’s procedure is complete and complaints have entered our formal remit, we offer an early resolution process, working with residents and landlords to try to agree positive solutions wherever possible, within a time limited dispute resolution procedure. We offer support, exploring options for resolution based on our experience of complaints handling. Any agreed settlement is reflected in a determination and monitored for compliance.

Respondents to the consultation welcomed the increased clarity about our processes and they supported our focus on local resolution and early resolution. We intend to continue to develop our policies and processes for local and early resolution in 2017-18 (see also SO2).

Investigation

If a complaint cannot be resolved earlier then it will go forward for investigation. In 2016-17 the age profile of cases reduced significantly but we recognise that both landlords and complainants would like faster determinations. Our aim is to reduce average case times to six months in 2017-18 with further reductions in subsequent years. Once the average is below six months, ongoing efficiencies in casework processes should take effect e.g. increasingly less time would need to be spent updating customers on the progress of their case.

We will also do more work with landlords to identify common issues in multiple complaints to see if we can help facilitate more effective, swifter resolution or determination. All landlords with more than 12,000 units will have a named contact to liaise with regularly and we will work with other landlords as necessary e.g. where their profile of complaints identifies a general issue with complaint handling, or a particular issue has arisen such as there being problems in a new build estate or where a repairs contract has failed leading to a spike in complaints. We have done this very successfully in some cases in 2016-17. More detail on this activity is set out under SO4.

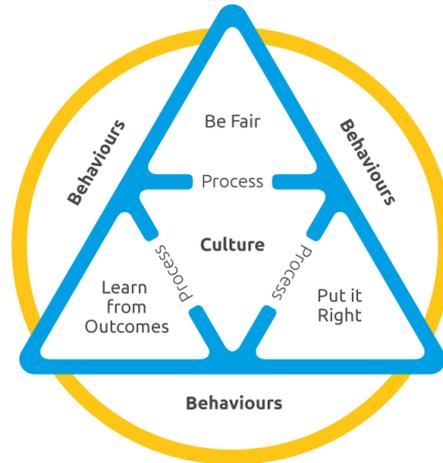
SO2: We will support landlords and residents to resolve more complaints locally

As we described in SO1, local resolution ensures that issues are resolved at the earliest opportunity; it builds trust and confidence, and prevents issues from escalating and relationships souring. Once a complaint has been made to one of our member landlords, we try to support local resolution between the complainant and the landlord.

Our role at this stage is to use our dispute resolution principles to empower landlords and residents, giving them the tools to resolve complaints themselves within the landlord's procedure. We help complainants access and navigate their landlord's complaints procedure. We provide advice about potential resolutions. We manage the expectations of both parties.

Our Dispute Resolution principles

- ▶ **Be fair** - treat people fairly and follow fair processes
- ▶ **Put things right**
- ▶ **Learn from outcomes**



Once the landlord's procedure is complete and complaints have entered our formal remit, we offer an early resolution process. Again we use our dispute resolution principles to work with residents and landlords to try to agree positive solutions wherever possible, within a time limited dispute resolution procedure. We offer support, exploring options for resolution based on our experience of complaints handling. Any agreed settlement is reflected in a determination and monitored for compliance. If this option is not chosen or the complaint is not resolved, then the case goes forward for investigation as usual. The early resolution process was introduced in April 2016 and consultees reported that it took a while to become properly established but is now working well.

We will continue to embed our early resolution process and to further develop our policies and processes for supporting both local and early resolution in 2017-18.

We also work with landlords to facilitate improvements in complaint handling processes to encourage local resolution. Details of our sector development activities are included under SO4.

In 2016-17 we also began to explore the use of online complaint resolution systems to facilitate local resolution but concluded that this would need to be part of a wider project to update our casework management system. This project will continue in 2017-18.

As referred to in SO1, we will continue to seek feedback from landlords and residents two weeks after cases close at enquiries and local resolution stages throughout the year. We assess the quality and effectiveness of our service by asking customers "Did we treat you well" and "Did we help" every two weeks and we use this information to drive performance at an organisational, team and individual level.

SO3: Our decisions will be recognised as fair, impartial and effective

Fair, impartial and effective complaint resolution recognises the importance of people's homes, treating individuals with dignity and respect. We are impartial, so we cannot guarantee an outcome. We do not take sides but look at every complaint with an open mind. We decide on the basis of what is fair in the individual circumstances of the case.

In 2016-17, we implemented tighter quality control and quality assurance processes. We introduced a new role of Quality Assurance Manager and a new system of quality assurance checks. These combined with the outcome of our customer feedback, including both numeric and narrative responses to the questions "Did we treat you well" and "Did we help" give us a clear picture of the quality of our decisions and in particular whether our customers regard them as fair and impartial. Feedback is positive often commenting on the clarity and impartiality of our decisions. No bias has been identified in any cases in 2016-17. Nor have there been any successful judicial reviews. This quality assurance approach will continue in 2017-18.

Our decisions are effective; 97% of our orders are implemented within three months of the target date. These orders may provide individual redress for complainants e.g. ensuring that repairs are done or providing compensation and/or require changes to landlords' policies and procedures to improve services and avoid future disputes.



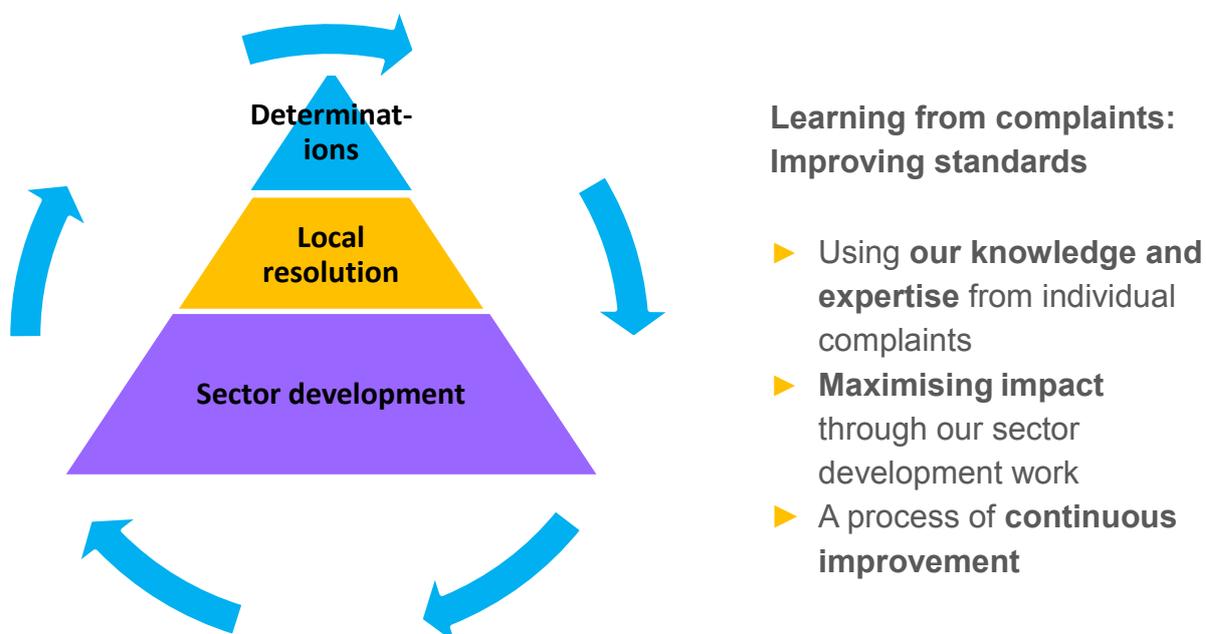
We will work closely with the Social Housing Regulator on issues of potential systemic failure to see whether there could be breaches of their regulatory standards. In 2016-17 we have worked with the regulator on individual cases and worked to develop a memorandum of understanding setting out our respective roles. This will be published shortly. During the course of 2017-18 a legislative reform order is to be taken forward to establish a standalone Social Housing Regulator. We welcome this move because in our view it underlines the regulator's independence.

SO4: We will support landlords to learn from the outcomes of complaints

Information from complaints can be extremely valuable feedback. Learning from the outcome of complaints helps businesses to thrive and improves housing services.

Where a complaint highlights issues impacting on more than one resident we may make orders or recommendations for changes to policies or procedures. These orders or recommendations seek to help landlords and residents learn from outcomes to help prevent the same issues happening again and to improve services. Sometimes the issues may be of interest to others across the sector and the learning from the complaint then feeds into the discussions we have with landlords and residents in other organisations.

This is a continuous process for both us and landlords as illustrated in the diagram below. It puts us in a strong position to impact on the wider organisational conditions such as structure and culture that are necessary to support effective dispute resolution by landlords.



We will provide a variety of interventions, activities and tools to support landlords based on our experience of handling complaints. Over the last 20 years, we have considered thousands of disputes and seen many examples of good and bad practice. This experience informs our dispute resolution principles and encourages landlords and residents to share knowledge and experience with us and each other.

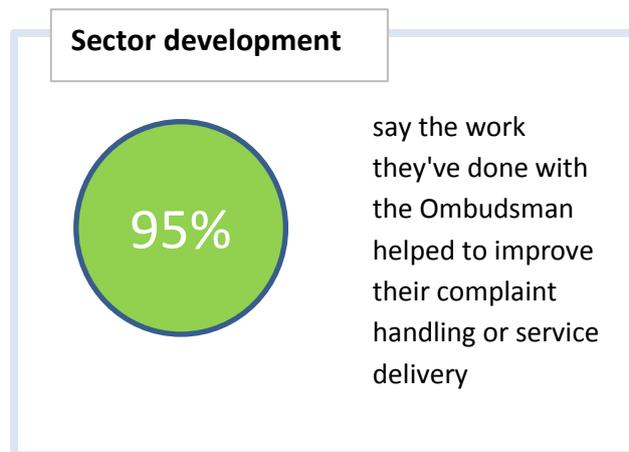
There is always more demand for our services than we can meet so we work with others to extend our reach.

In 2016-17 we supported landlords, designated persons, residents and other organisations to improve complaint handling and to improve housing standards through:

- Individual complaint resolution and determinations

- Case studies on our website
- Our e-learning package
- Discussions with individual landlords
- Action learning sets for landlords
- Talks, workshops and other events.

In 2016-17 our talks, workshops and events have been organised in partnership with others, such as the Chartered Institute of Housing, the National Housing Federation, the Housing Quality Network, Tenants Participation Advisory Service and HouseMark so that we can reach more people. Sessions have taken place across the country, with landlords and residents sharing their experiences of good dispute resolution.



These events are very popular, but are very resource intensive and reach only those who are already engaged in good practice and able to attend external events. From our consultation stakeholders clearly see the merit of these events, particularly for those new to dispute resolution or smaller providers. However to continue the learning there was a demand for more casework specific resources that could be utilised by stakeholders as and when required. Putting this in place will be a priority for next year.

A further priority for 2017-18 will be to develop a range of online tools and guidance that will be accessible to all stakeholders, regardless of size or location. This will include updated case studies on our new website and exploring other channels to widen our reach. Our e-learning is being redesigned and revised, ensuring casework and the principles we work to drive the learning we share. We will also be increasing our use of IT to allow us to reach a wider audience and enable stakeholders to pick and choose from a range of options. This could include peer to peer learning via the use of Skype, bite size learning opportunities through podcasts and webinars or our more in depth e-learning programme.

Our face to face events, often with partners, will continue but our aim will be to target access to general complaint handling sessions to those who most need them and we will then run more case specific sessions, e.g. exploring complaints about repairs or anti-social behaviour.

We also hold regular meetings with individual landlords and tenant groups/panels to discuss particular complaint trends and work with them to overcome specific problems and improve service delivery.

In 2016-17 we identified 25 landlords to join a pilot scheme. These landlords were given a named contact within HOS to liaise with regularly about complaints handling. Members of the pilot received priority for our training courses and all their staff were offered our e-learning. Early indicators from this group suggest an improvement in the number of complaints resolved without a formal investigation and a reduction in the proportion of complaints about complaint handling. We also worked closely with some other landlords during the year when we identified a particular issue e.g. a spike in complaints due to problems with a new build estate or problems with a repairs contractor.

In 2017-18 we will develop this approach further. We will identify a single point of contact to work with larger landlords and also with landlords whose complaint profile indicates a need for support or where there is a particular immediate problem. We will aim to identify common issues arising in their complaints, liaise to resolve multiple complaints swiftly and effectively and seek to identify recommendations for changes to policies and procedures where helpful.

We will also continue to develop our work with tenant organisations in 2017-18. We will use feedback from the Tenants Participation Advisory Service regional events we took part in this year to develop further activities and will aim to extend our reach by working with more tenant groups/panels.

We participate in housing complaint forums such as that for the G15 landlords, and are looking to expand this work next year. We will also continue to work on new issues as they arise e.g. working with the National Housing Federation and the Department for Communities and Local Government.

We will also provide more customer insight to a wider range of landlords such as a report giving a breakdown of their complaint profile benchmarked against the average. In the future we would hope to develop our IT to make this available to more landlords on a self-service basis.

We will also work with other Ombudsman services to improve complaint handling standards generally. We will continue to work closely with the Local Government Ombudsman (LGO) and the Property Ombudsman (TPO) in particular given their close ties with our remit. In November 2016 we held a very successful event in the House of Lords jointly with TPO. This highlighted our respective remits and our roles in driving up standards across the housing sector.

Cabinet Office published a draft Public Service Ombudsman Bill on 5 December 2016. The Bill makes provision to bring together the responsibilities of the current LGO and the Parliamentary and Health Service Ombudsman within a new organisation and takes a power to transfer social housing complaints from the Housing Ombudsman to the PSO. In 2017-18 we will continue to engage with other ombudsmen, the CLG Select Committee and Cabinet Office on the draft Bill.

SO5: We will be an accountable, well run organisation, using our subscription monies wisely

Accountability

We have continued to be accountable and transparent to parliament, government and our customers. Our Annual Report and Accounts for 2015-16 were laid before parliament in July 2016. The Ombudsman also regularly provides reports on performance against the business plan objectives to the Department for Communities and Local Government (DCLG). This year for the first time, we have also consulted with the sector on what is most important to them in delivering our service in 2017-18. That consultation has fed directly in to this Business Plan to inform the Secretary of State's decision on the level of the subscription fee for 2017-18. We will continue to consult on key issues for the service and our future plans in the coming year.

Our processes for governance, internal control and risk management across the organisation are well established. The Ombudsman is supported by a Senior Leadership Team and an Audit and Risk Assurance Committee and receives further assurance from internal and external auditors. In the current year, assurance activity has confirmed that appropriate governance and risk management are in place, and that internal control is robust and embedded throughout the organisation. In 2017-18 we will continue to monitor compliance with these processes carefully.

During the year, we have reviewed the intended role of the Panel of Advisors in the context of discussions on our proposed new Framework Document. We intend to recruit to these newly shaped roles in 2017-18 so that the Panel provides focused strategic advice and guidance to the Ombudsman.

We have improved the information about our organisation on our website. Next year will see the launch of our new website which will contain much more information on our policies and performance, as well as an improved range of guidance and other resources to help and support our customers deal with complaints.

Our people

In 2016-17 we had a total staff team of 61 FTE. We continually assess capacity and as a small team we are agile; moving people and working flexibly when required. For the £1.25 subscription rate, we would be able to increase the staff budget by 18% (despite our overall budget only increasing by 3%) due to operational efficiencies achieved this year. Managing our budget and headcount proactively in 2017-18, along with the revisions we have made to our service contracts this year, will allow us to develop our service, ensuring that work is flexed between in-house and outsourced services depending on expertise and value for money.

We use a strengths-based recruitment and performance management system, which helps us create a positive culture to support continuous improvement and development. Our staff engagement survey this year was positive (68% overall) with 90% of colleagues supporting and applying our vision

and values and 92% of colleagues saying that their line manager treated them with respect. However, colleagues wanted better communications and more involvement in key decision making and we need to make our progress on some key projects more visible. We are taking a more structured approach to project planning and communications and have established regular colleague days to discuss key issues affecting the service (including this plan). We aim to recruit to all key posts and improve on the staff survey results in 2017-18.

Efficiency

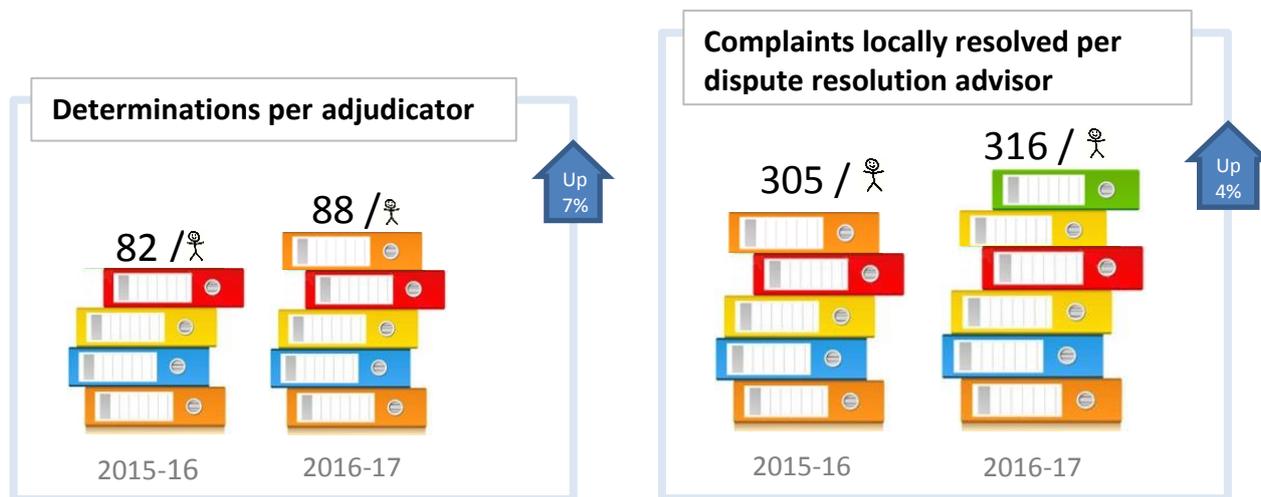
One of the most significant achievements in 2016-17 was the move to new office space with only three months' notice. Our new office space near Canary Wharf in London Docklands sharing with the Financial Ombudsman Service meets our needs very well – it provides an open and flexible working environment for our staff while continuing to provide free access to our customers. Our annual accommodation costs have reduced by 19%, the move facilitates closer working with the Financial Ombudsman Service and enables further efficiencies e.g. shared reception and facilities management services. We look forward to developing this working relationship in the coming year.

Working in partnership with others has also reduced the cost of sector development activity with the expenditure forecast to reduce by 47% on last year. We have also re-tendered some key contracts which has allowed us to build enhanced contractual provisions and greater flexibility into the services provided, as well as achieving greater value for money. Our new enquiries contract will go live on 1 April and our e-learning package is already being refreshed ready for launch next spring. We will continue to review all expenditure for further efficiencies, secure value for money through robust procurement exercises, move our IT to the cloud and review our processes to see where these can be streamlined during 2017-18.

Our IT provision has been upgraded, rolled out to more users, is better supported and is more resilient for a lower monthly cost. These improvements are helping our staff to work flexibly and smarter and will be an essential element in supporting the increased headcount set out in this Business Plan that will reduce our average case time. Further work to develop and embed our new IT capability will be implemented in 2017-18.

We are revising and automating processes wherever possible to achieve further efficiencies and have introduced an electronic purchase order system with a HR system procured for roll out in 2017-18.

The impact of these efficiency measures, alongside policy and process changes, has been significant: the number of determinations per adjudicator had increased by 7% and the number of cases closed locally per dispute resolution advisor had increased by 4% by the end of December 2016 compared to 2015-16. We are also forecasting non-staff operating costs will be 4% lower.



We have begun work on developing a new casework management system and portal that will allow customers to self-serve, and the development of this will be on-going throughout 2017-18.

Our data analysis and reporting capability has moved on significantly in 2016-17. We analyse our own casework performance against a range of factors and are now developing our analysis and insight into the impact of our interventions to improve landlord performance. For example, in 2017-18 we will be working with key stakeholders to develop reports to provide landlords with better insight into their own performance and to target our sector development activity more effectively.

To manage all these strands of work effectively we have introduced a clear system of programme and project management reporting up through the governance structure to our senior leadership team. Ensuring that key projects remain on budget and on track will be a critical success factor in 2017-18.

Strategic objectives

1. We will deliver an accessible, high quality and timely complaints handling service

Key activities 2017-18

- Offer a wide range of routes of access to the service e.g. phone, online or in writing
- Procure and develop new, more accessible website with increased content for residents and landlords
- Implement new enquiries contract to ensure a quality and accessible service
- Continue to develop and embed our dispute resolution policies and procedures, keeping our focus on local and early resolution
- Maintain our approach to customer feedback - from landlords and residents - to drive continuous improvement
- Continue to develop our strategic approach to multiple complaints and systemic issues

Measures of success

Accessibility

- Profile of complainants against the profile of member residents

Quality

- Customer feedback “Did we treat you well?” target: 80% at local resolution stage and 80% for determinations

Timely

- Average case times within our formal remit to be reduced to 6 months and 95% of cases to be determined in less than 1 year

2. We will support landlords and residents to resolve more complaints locally

Key activities 2017-18

- Continue to develop and embed our dispute resolution policies and processes for supporting both local and early resolution
- Targeted work with landlords to support resolution of complaints without the need for formal investigation – details of our activities are included under SO4
- Maintain our approach to customer feedback – seeking feedback from 20% of cases at local resolution stage

Measures of success

- Customer feedback for “Did we help?” on individual cases at local resolution stage: target 65%
- Proportion of complaints which are closed without a formal investigation: target 80%

3. Our decisions will be fair, impartial and effective

Key activities 2017-18

- Provide effective quality control and quality assurance processes
- Increase the number of case studies illustrating how we investigate and the application of our dispute resolution principles to achieve fair outcomes
- Ensure our decisions explain our reasoning and reflect our role
- Work closely with the social housing regulator on issues of potential systemic failure

Measures of success

- Level of compliance with orders: 95% within 3 months, 100% within 6 months
- Customer feedback for “Did we help?” on individual decisions: target 65%
- No successful judicial reviews

4. We will support landlords to learn from outcomes

Key activities 2017-18

- Develop and promote our online information and guidance for landlords as part of the new website, including updated and enhanced case study reports, and use IT channels more effectively for increased learning
- Introduce our revised and enhanced e-learning package
- Targeted face to face work with landlords to help capture learning from complaints
- Continue to work in partnership with other organisations to maximise the reach and scope of our sector development activities
- Provide key contacts for largest landlords and those needing additional targeted support
- Provide more customer insight to a wider range of landlords
- Develop reports on all complaints received sharing knowledge of complaint themes relating to individual members as and when an issue is identified
- Feed into wider policy development including work with partners on new issues as they arise

Measures of success

- Feedback from landlords and complainants on individual complaints
- Feedback from landlords and residents on activities
- Demand for targeted support and complaint theme information.

- Continue to work closely with other Ombudsman services to improve complaint handling

5. We will be an accountable, well-run organisation, using our subscription monies wisely

Key activities 2017-18

- Consultation on key issues for the service including plans and budget for 2018-19
- Enhance our corporate governance through the Panel of Advisors, which will be recruited in 2017-18
- Increase our transparency, e.g. provide more information on our policies and performance on our new website
- Continue to apply strong governance, internal control and risk management
- Maximise the benefits of moving to pay budget rather than headcount
- Continue work on delivering our new casework management system and portal
- Increase process efficiencies through greater automation, e.g. launch of our HR system and a full year of our e-procurement system, and streamlining
- Continue to review our cost base for efficiencies, e.g. continued roll-out of cloud-based applications, driving value for money and flexibility in procurement exercises through competition, and rigorous contract management
- Realise the benefits of our new accommodation and improved IT to support more flexible working, information sharing and a more accessible service
- Develop and embed our performance reporting systems to support the management of casework and to provide greater insight, e.g. identifying indicators of systemic failure

Measures of success

- Positive engagement from stakeholders to our consultation on our business plan 2018-19
- Unqualified accounts
- All internal audit recommendations are implemented to internal audit's satisfaction and within a reasonable timescale as agreed with the Accounting Officer
- Cases completed per FTE benchmarked against other Ombudsman schemes

Business Plan budget 2017-18

Cost element	Description	Budget in consultation document (£m)	Budget 2017-18 (£m)	Change (£m)
Dispute resolution	Providing an accessible high quality and timely dispute resolution service. Ensuring accessibility and seeking to resolve disputes fairly and impartially. We will deal with all enquiries efficiently and sympathetically, supporting local or early resolution of disputes wherever possible. If early resolution is not possible we will conduct a fair and impartial investigation and make a determination. Determinations may provide for individual redress to complainants and/or improvements to services to prevent disputes happening in future. We will monitor compliance with our determinations.	£4.2m	£4.4m	+£0.2m
Sector development: improving standards	Facilitating improvements to landlords' complaints handling and service delivery through a range of activities e.g. training events, guidance, virtual action learning sets, e-learning, individual support to landlords or tenant panels. Empowering landlords and residents to resolve more complaints locally thus reducing dependency on our service. Working with other organisations where appropriate to use our resources efficiently and maximise our impact.	£0.6m	£0.5m	-£0.1m
Strategy, management and accountability	Strategic and managerial functions; overall governance of the Housing Ombudsman Service, Planning forward strategy; housing and complaint policy developments and jurisdictional issues, Financial Control, Analysis of complaints and performance, Secretariat support to the Panel of Advisors and the Audit & Risk Assurance Committee, Corporate reporting (including to DCLG and parliament), Human Resources, Collecting feedback on our service from our customers.	£1.1m	£1.0m	-£0.1m
Total		£5.9m	£5.9m	-

The subscription fee of £1.25 means a 3% increase in the overall budget from 2016-17 which, due to operational efficiencies, would allow an 18% increase in our staff budget. We expect then to be able to make the significant improvements in service delivery detailed in this plan, not least the reductions in decision times within our formal remit

